

**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
March 20, 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 8:06 a.m. on Tuesday, March 20, 2007. Chair Dean A. Rhoads presided in Room 3137 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:

Gary L. Ghiggeri, Senate Fiscal Analyst
Steven J. Abba, Principal Deputy Fiscal Analyst
Mark Krmpotic, Senior Program Analyst
Robin Hager, Program Analyst
Michael Bohling, Committee Secretary

OTHERS PRESENT:

Virginia (Ginny) Lewis, Director, Department of Motor Vehicles
Frank Siracusa, Chief, Division of Emergency Management, Department of Public Safety
Tom Fronapfel, Administrator, Field Services Division, Department of Motor Vehicles
Edgar Roberts, Administrator, Motor Carrier Division, Department of Motor Vehicles
Mark Froese, Administrator, Research and Development Division, Department of Motor Vehicles
Colonel Chris Perry, Chief, Nevada Highway Patrol, Department of Public Safety
Andy McAfee, Deputy Training Commander, Nevada Highway Patrol, Department of Public Safety
Jim Rodriguez, Budget Analyst, Department of Administration
Jim Wright, Chief, State Fire Marshal Division, Department of Public Safety

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 2

Mark A. Teska, Administrator, Administrative Services, Department of Public
Safety

CHAIR RHOADS:

We will open the hearing with the Real ID budget account (B/A) 201-4746.

MOTOR VEHICLES

DMV - Real ID – Budget Page DMV-10 (Volume III)
Budget Account 201-4746

VIRGINIA (GINNY) LEWIS (Director, Department of Motor Vehicles):

I will update the Subcommittee on developments with the Real ID Act of 2005. On March 1, 2007, the draft rules were released by the U.S. Department of Homeland Security (DHS). The 60-day public comment period began on March 8 and will run through May 8, 2007. This is the period of time where jurisdictions of the country, as well as the public, are entitled to respond to the draft rules with our concerns and comments. After May 8, the DHS will analyze the comments and release the final rules. The final rules could be released as soon as late spring or late summer.

When the draft rules were released, the DHS said they would give extensions and funds to the jurisdictions. We had hoped the period for reenrollment, the period we are given to become Read ID compliant, would be extended for ten years. For all jurisdictions, eliminating the need for additional staff and extended hours would have been the best-case scenario. We had also hoped there would be new federal money allocated to offset the impact in the states.

We were told we could delay implementation, but we could not delay the May 2013 compliance date. We can delay implementation, but the longer we delay, the more condensed the chaos will be. The last extension is through December 31, 2009, and by January 1, 2010, all states must be issuing Real ID Act compliant cards.

The DHS says states may use up to 20 percent of the state portion of the DHS grant program money. It is not new money, it is money already allocated to the states.

CHAIR RHOADS:

How are we currently using this money?

FRANK SIRACUSA (Chief, Division of Emergency Management, Department of Public Safety):

The Division of Emergency Management also serves as the State administrative agency for the management and oversight for the DHS grant program. The DHS grant program funds, which Nevada receives, are used for five programs. Within those five programs, one is the State Homeland Security grant program. These are the program grant funds the DHS is referring to when it says we may use up to 20 percent of the State portion of the DHS grant money.

Over the last two years, the State of Nevada has worked in a collaborative process with all of our local governments to put together investment

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 3

justifications. These investment justifications are projects which the State has been mandated to perform as federal requirements. The projects include interoperable communications, terrorism early-warning centers and evacuation sheltering. There are a series of 12 projects. When we receive our grant award in July, the funds will be distributed among those 12 projects.

The funds the DHS is referring to can be used for Real ID but would detract from the other 12 projects we have been working on for the last two years.

CHAIR RHOADS:
How much money does 20 percent amount to?

MR. SIRACUSA:
In 2006, the State Homeland Security Grant Program was approximately \$8.1 million, and 20 percent amounts to \$1.6 million. Of the entire grant program, 5 percent is used for management and administration and those funds come from the State's portion. Using 2006 figures, we would have a total of \$1.2 million.

SENATOR BEERS:
Do we have a process in which we rank our mandates and attempt to prioritize them?

MR. SIRACUSA:
We have a working group of 80 members of local government.

SENATOR BEERS:
You have 80 members?

MR. SIRACUSA:
We have a process in which review each of the investment justifications and the group prioritizes them. This is how we decided to make top priorities of fusion centers, terrorism early-warning prevention and detection and interoperable communications. Based upon our prioritization, we spread the State's portion of funds throughout the projects.

SENATOR BEERS:
Has the Real ID Act mandate been prioritized among the other mandates?

MR. SIRACUSA:
No, it has not. We began the process in January 2007, and did not have notification from the DHS we could use funds for this process until March 1.

MS. LEWIS:
I have discussed this with the Office of the Governor, and the Governor feels Real ID is a priority for these funds.

CHAIR RHOADS:
Compared to \$30 million in the first biennium, \$1.2 million does not seem like much funding. Will we wait until December 31, 2009?

MS. LEWIS:

When the DHS released the draft rules and discussed the potential for extensions, I struggled deciding when to implement the Real ID Act mandates. Subtracting the four-year driver's license renewal cycle from May 2013 brings us to May 2009, and we will be in the middle of the 75th Legislative Session. Bringing Real ID online at this time would be more than the Department can handle. October 1, 2008, is the date which is most suitable. The biggest challenge will be training the employees and having new hires complete academy training which lasts eight to ten weeks. We need to begin the hiring and training process a year before the October 2008 launch date.

The DHS also requires we submit a certification plan by February 10, 2008. This comprehensive plan must describe, in detail, how Nevada will implement the Real ID Act. It must include regulations and statutes, a security assessment of all data and facilities and a defined process of how we will handle exceptions. I believe we can make all of our program changes by October 1, 2008, launch the program and run through May 2013.

The draft rules describe the renewal process, and the DHS understands states will have to put alternative technologies on hold as we go through reenrollment. After reenrollment, we can reinstitute alternative technologies. The caveat is we must verify online applicants are the same people who submitted the source documents provided for the digital images we have in our system. At this point, we do not know how this can be accomplished.

We will request clarification from the DHS and discuss this issue with other states in seeking a solution.

SENATOR BEERS:

When the federal government mandated standards in the Help America Vote Act, we were already in substantial compliance with all of the mandates. I am concerned it is a similar situation with the Real ID Act.

How far are we from meeting the mandates of the Real ID Act?

MS. LEWIS:

The DHS is saying a person who renews their Real ID through alternative technologies must verifiably be the same person who came into the office and had their original documents authenticated and verified.

CHAIR RHOADS:

Could this be accomplished with a digital fingerprint image?

MS. LEWIS:

Possibly, the technology is ...

SENATOR BEERS:

The technology does not check against a worldwide database. The fingerprint must first be entered into the system.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 5

Ms. LEWIS:

If we retain a control number on the birth certificate, the person renewing could reenter the number and we could verify it against the data collected during the original enrollment.

SENATOR BEERS:

Would this be a onetime process? My birth certificate was examined when I was issued my first driver's license 32 years ago.

Ms. LEWIS:

When you were issued your driver's license, we did not keep an image of your birth certificate.

SENATOR BEERS:

How will you verify it is a legitimate document?

Ms. LEWIS:

Part of the requirements of the Real ID Act is that we must access the various databases which ...

SENATOR BEERS:

We are already doing it.

Ms. LEWIS:

We are only verifying social security ...

SENATOR BEERS:

Are we already in compliance on social security?

Ms. LEWIS:

Yes. Social security may be the way to validate Real ID renewals.

SENATOR BEERS:

I do not see how we are out of compliance. You have verified the identification and the social security number. Is it not enough the hospital has an image of my birth certificate?

Ms. LEWIS:

When you enroll into the system, you will bring documents such as a birth certificate, passport, social security card and proof of residence. We will scan those documents into the system. We will then have those documents on file. The DHS is requiring, when we bring back alternative technologies for renewal, we must verify it is the same person who enrolled into the system.

SENATOR BEERS:

There is no way to do this. I can give my personal identification number to Mr. Ghiggeri and he can be me. Are you saying the Real ID Act has outlawed all of our alternative technologies?

Ms. LEWIS:

No. The federal government says there is a way to bring them back. It is an area in which we need clarification.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 6

SENATOR BEERS:

The federal government is saying there is no possible way to bring alternative technologies back.

MS. LEWIS:

They think it is possible. We see challenges.

SENATOR BEERS:

It seems foolish to spend \$30 million in highway construction funds doing this if we are already nearly in compliance. Due to your good work, we are ahead of most other states. Much of what they are asking is impossible. There is not enough money to get us to the end point.

MS. LEWIS:

There are states which are not as stringent on requirements as Nevada and there are weak links around the country. I support what the Real ID Act is attempting to accomplish which is to standardize and improve the integrity of the process. With this standardization come requirements with which all states will struggle.

I am certain I will hear more on Friday when I meet with the DHS and the western states in Los Angeles to discuss the draft rules.

SENATOR BEERS:

Do the draft rules address passports?

MS. LEWIS:

The federal government says a passport may be supplied as a primary document, but the draft rules also state the federal government must use the same standards as the states.

SENATOR BEERS:

An alternative could be to have citizens obtain a passport to be used as a national identification.

MS. LEWIS:

The draft rules allow states to issue a noncompliant card for people who are unable to produce the proper documentation. If I have a passport, I do not need a Real ID credential, and there are millions of people with passports. From a customer-service standpoint, it would be better to simply renew the driver's licenses of passport holders without requiring additional documentation. Most people with passports have no incentive to obtain a Real ID.

SENATOR BEERS:

If passports were used instead of Real ID, the onus of meeting impossible government standards falls back onto those who are setting the standards.

CHAIR RHOADS:

Is the plan to begin issuing Real ID licenses in October 2008?

MS. LEWIS:

Yes.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 7

CHAIR RHOADS:

Amendment 55 to B/A 201-4746 decreases the Real ID budget by \$202,000 in FY 2007-2008 and \$4,000 in FY 2008-2009. Can you discuss this with the Subcommittee?

MS. LEWIS:

When we made the decision to delay implementation of the Real ID Act until October 2008, we reviewed the budget to identify areas which could be reduced. The primary portion of the amendment addresses the implementation of extended hours for 147 members of staff. We detailed a training plan for the hiring schedule of additional staff beginning in August 2007 and running through the last academy in July 2008. Most of the amendment addresses a phased-in approach in hiring.

The amendment also delays the start of the call center, initially set to begin in January 2008, in conjunction with the public education campaign in June 2008.

CHAIR RHOADS:

Will the project manager need to be hired earlier in the process?

MS. LEWIS:

I have an amended work program, being heard tomorrow before the Interim Finance Committee, to hire the project manager April 1, 2007. With this funding, we hope to contract with a company with which one of the deliverables is a project manager and assistance for the Department in locating contract programmers.

The project manager, if approved, would start April 1. During the first three months, through multiple joint-application development meetings, we would define the requirements of the act; how to implement, identify the tasks, assign ownership of the tasks and identify the risks in implementation. The first three months will be a critical period.

CHAIR RHOADS:

Are you planning to hire 162 people for the field offices in August 2007?

MS. LEWIS:

The phased-in-staffing approach will begin in August at academies in the north and south. The hiring rate will be scheduled on the ten-week academy-training cycle and be dependent on academy capacities.

CHAIR RHOADS:

Will you need to adjust your budget due to staggering the rate of hiring new employees?

MS. LEWIS:

Amendment 55 to B/A 201-4746 accommodates the phased-in-hiring schedule.

SENATOR BEERS:

If the Legislature decides to adopt this federal mandate, would it not be more prudent to wait and choose the least expensive alternative other states have developed and implement the best choice at the end of the time frame?

Ms. LEWIS:

Looking at the timeline, I would not implement any later than May 2009 which is the four-year period for renewals ending May 2013. Implementing after May 2009 would create problems by bringing people back into the offices before the end of the four-year renewal period. I am trying to implement the Real ID Act in a manner which minimizes impact on the Department, the State and the public.

SENATOR BEERS:

We are in compliance with nearly all aspects of this act. If we must retain a copy of everyone's documents, scanning their documents and putting a bar-code label on their driver's licenses would be a relatively fast and inexpensive process.

This mandate is still undefined. Let other states pioneer the trail, and we can choose the least expensive way to accomplish meeting the standard.

Ms. LEWIS:

The certification package, due to the DHS in February 2008, is a requirement which must express a plan and the intent to comply with the mandate. By May 2008, the DHS will have reviewed the plan. If we do not comply and have our certification plan approved, Nevadans who do not have a passport will be unable to board commercial airlines.

SENATOR BEERS:

If they must go to the Department of Motor Vehicles (DMV) or the passport office, why not send them to the passport office?

Ms. LEWIS:

I believe this would be a policy decision.

SENATOR BEERS:

Nevada has, perhaps, the highest number of paved miles of road per capita in America, and we are lacking in the road construction funds which would pay for the Real ID Act. We should submit a plan stating we will see what the other states do, and, in the meantime, send our citizens to the passport office.

Ms. LEWIS:

The mandates could change over the summer, when Legislature is no longer in session, but we still need a plan.

SENATOR BEERS:

What process would be needed to wait for the other states to implement and send our populace to get passports?

Ms. LEWIS:

We tell the DHS we will not provide a plan.

SENATOR BEERS:

We have a plan. Until the DHS can give specifications and we see what other states are doing, we will send people to get a passport. This is our plan.

Ms. LEWIS:

If this is the decision of the Legislature, we will tell our constituents to get a passport if they want to travel or access a federal building.

SENATOR BEERS:

The alternative is to send them to the DMV and get a new driver's license if they want to access federal buildings or get on a commercial airliner. Will there be interstate border inspections stopping automobile traffic to check identifications?

Ms. LEWIS:

I do not know.

SENATOR BEERS:

Will we be able to drive across state lines?

Ms. LEWIS:

In the draft rules, the Real ID card will be required for commercial airlines, access to federal buildings and nuclear power plants, but they also state the requirements of this card may be expanded at any time.

CHAIR PARKS:

Is it true the Real ID cards will cost \$25 to \$30 for each person?

Ms. LEWIS:

The budget does not reflect an increase in cost. We have requested an appropriation from the Highway Fund to offset the fees currently charged for an individual when obtaining a driver's license.

CHAIR PARKS:

The DMV offices are already overloaded. Have you considered creating separate locations solely for the issuance of Real ID cards?

Ms. LEWIS:

We plan to expand the hours at existing facilities.

CHAIR RHOADS:

How will the agency schedule additional technicians without overlapping with current employees? Statewide, will there be a need for more windows at the DMV to handle increased activity?

Ms. LEWIS:

We are using the formula of 100-percent staffing with extended hours. This is how we calculated the number of employees needed for 100-percent staffing 100 percent of the time for a 12-hour day. We will utilize a shift schedule which minimizes overlapping staff. We have asked the field managers if work will be available for up to ten extra staff, and they said, "Yes."

CHAIR RHOADS:

At what point of the implementation will you be extending hours?

Ms. LEWIS:

We have not set a date. We will begin hiring in August, start the academies, and probably begin extended hours one month before implementation in October 2008.

CHAIR RHOADS:

Why have you not submitted a reduction for programming expenses?

Ms. LEWIS:

The DHS has described the security features which will be imposed for the Real ID card. There was a requirement for polycarbonate card stock, which is extremely expensive, and the quote in the budget was \$7 for each card. The DHS has since withdrawn the polycarbonate requirement. A new budget amendment was submitted to the Budget Division this week with a new quote of \$3.33 for each card which will be a reduction to the Highway Fund of about \$2 million over the biennium.

SENATOR BEERS:

What are the security features of the card? The only feature I see lacking is a machine-readable bar code which is easy to comply with.

Ms. LEWIS:

The card stock must meet performance standards; there must be a serial inventory number for each card; intricate, fine-line multicolor background design produced with offset lithography; ultraviolet long-wave responsive feature; optic variable device; personalized tactical feature created by laser engraving; personalized micro-print feature; intentional errors; card format revision date printed or engraved on the card surface to be updated with card design change. There are multiple layers of security features.

SENATOR BEERS:

What are we not in compliance with?

Ms. LEWIS:

We have optically variable devices and a personalized micro-print feature. Those are the only two features we currently have on our card.

SENATOR BEERS:

Mine is multicolor, has a symbol when held at the right angle, my full name, my social security number and a bar code on the back. It does not seem we are far from meeting the requirements.

We were happy to spend \$30 million in federal money for the Help America Vote Act (HAVA), but this is our money being used for the Real ID Act.

Ms. LEWIS:

We did not have to modify our driver's license for HAVA.

SENATOR BEERS:

We modified our voting machines and our statewide voter database to comply with HAVA even though we were in substantial compliance. We could have

complied with one-fifth of the federal money given to us if we had not increased our standards beyond the federal requirements.

My concern is, in comparison to the budget request, we are not far from compliance with the Real ID Act mandates. We have fraud investigators in the budget which are not required by the Real ID Act and we comply with checking with all available databases. We are already in substantial compliance with the Real ID Act.

MS. LEWIS:

The budget developed for the Real ID Act brings us into compliance and allows us to implement and enforce the spirit of this law to the best of our ability.

SENATOR BEERS:

We have 7 existing positions for fraud investigation and you are adding 12 more which are not a requirement of the mandate.

MS. LEWIS:

A Real ID Act compliant card will be worth its weight in gold. People who cannot provide us with the documentation we require will go through illegal means to acquire a compliant card. The other matter is moving to central issuance which is the right thing to do regardless of the Real ID Act.

One of the features of central issuance is implementing facial-recognition technology which allows us to ensure nobody can have IDs issued under multiple names. When Colorado and Massachusetts implemented facial recognition, they discovered 10 percent of the new data was fraudulent when compared to the data existing in their systems.

We believe the fraud investigators are necessary and critical to ensuring Real ID follows the intent of the DHS. The worst thing we can do is discover fraud in our database and do nothing about it.

Years ago, when applying for a license, Nevada accepted out-of-state driver's licenses at face value and did not require any other documentation. We learned Utah and Oregon had much less restrictive standards than Nevada. Illegal immigrants were being bused to Utah, getting a driver's license, then coming to Nevada. We could not deny them a Nevada driver's license. We changed the law in 2001 and no longer accept a driver's license from another state at face value. We require additional identification. There are people in our database who did not prove their identity to other states.

SENATOR BEERS:

How will the fraud investigators and facial-recognition software address this issue if they are already in the system?

MS. LEWIS:

When they come in for reenrollment and run the image from that particular day, we will find the same person with different names.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 12

SENATOR BEERS:

This is a different problem than someone getting a Nevada driver's license using a fraudulent out-of-state license.

Ms. LEWIS:

We are anticipating people attempting to get a Real ID by using fraudulent identification. We believe we currently have people in our database who have been issued driver's licenses under another name.

SENATOR BEERS:

We will only run facial recognition against our current Nevada database which will find people with multiple drivers' licenses, but not a person with one fraudulent driver's license.

Ms. LEWIS:

Another piece of the program is to allow digital image exchange among all jurisdictions, which is still in its pilot, but will grow in the future.

SENATOR BEERS:

Would it be possible for you to present a budget which meets only the minimal requirements of the Real ID Act?

Ms. LEWIS:

Yes. Can you give me a time frame?

CHAIR RHOADS:

Can you have it prepared by April 2?

Ms. LEWIS:

Yes.

CHAIR RHOADS:

The Department currently provides 20 hours of fraudulent document training; why is the current training insufficient to submit for approval from the DHS?

Ms. LEWIS:

We are anticipating refresher training for every employee in the Department. Once we have the final rules, we will review the training levels of all field employees to establish whether or not they have filled the fraudulent documentation training required by the DHS.

CHAIR RHOADS:

Will a social security card and birth certificate both be required to obtain a Real ID?

Ms. LEWIS:

You will only need one of those.

CHAIR PARKS:

As you prepare the information which Senator Beers requested, can you include a cost for each Real ID we issue?

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 13

Ms. LEWIS:

To clarify, are you asking what the cost for each card will be if we do not request Highway Funds to augment the fees we currently charge?

CHAIR PARKS:

I am interested in what it will cost regardless of the source of revenue, both for what you are proposing and for the minimal requirements Senator Beers is requesting.

Ms. LEWIS:

Yes, I will include those figures.

CHAIR RHOADS:

We will now discuss the field services budget. We will begin with new positions.

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

TOM FRONAPFEL (Administrator, Field Services Division, Department of Motor Vehicles):

Decision unit E-252 requests funding for an additional window technician for the Minden office. Over the past year, each of the four window technicians in Minden processed an average of 1,360 transactions each month. In addition, growth in Douglas County has exceeded the estimates prepared by the Nevada State Demographer, and the growth is expected to continue. The population in Douglas County has increased by 8.3 percent from July 1, 2004, to July 1, 2006. The additional technician will help bring the technicians' workloads more in line with their counterparts in the metropolitan offices as well as assist with continued growth in the county.

E-252 Working Environment and Wage – Page DMV-97

CHAIR RHOADS:

Do all of the offices have a built-in labor force for the Real ID Act?

MR. FRONAPFEL:

No. The Field Services budget does not incorporate any of the Real ID positions.

CHAIR RHOADS:

Will the offices need additional staff?

MR. FRONAPFEL:

We are not anticipating the need for additional staff in the rural offices. We have primarily dedicated the Real ID requests for the metropolitan offices.

We are expecting to move to a new Minden location sometime after the start of the next fiscal year, and the new office layout will provide for an additional customer-service window to be occupied by the new position. The Minden office also has a kiosk for driver's license and registration renewal transactions.

Decision unit E-253 requests funding to remodel the information counters, dispatch area and testing area at the West Flamingo Road office. These remodels will serve to maximize the use of existing space at the facility and to streamline customer flow. The remodel of the existing counter areas will result in four additional information counter windows in the office, bringing the total to eight. We will also be able to better assist handicapped customers at the new information windows.

This decision unit also requests funding for eight new window technicians. The eight additional technicians correspond to the average 2:1 technician to window ratio established by our staffing formula. The eight additional technicians will also allow us to maintain the 100-percent staffing at the West Flamingo Road office. For the current fiscal year, and on average, the West Flamingo Road office has experienced the largest customer volume of the four metropolitan offices in the Las Vegas area. The average customer volume in this office exceeds 27,000 customers a month. As such, it is critical to maximize available space and maintain 100-percent staffing.

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

CHAIR RHOADS:

Were the supervisors changed from a 10:1 ratio to a 2:1 ratio?

MR. FRONAPFEL:

No. The 2:1 ratio is the number of employees which correspond to each additional window.

CHAIR RHOADS:

Do you want to add eight full-time technicians?

MR. FRONAPFEL:

Yes. This corresponds to our four additional information windows.

CHAIR RHOADS:

Does this pertain to the Real ID Act?

MR. FRONAPFEL:

No, it does not.

CHAIR RHOADS:

Will you need more employees to implement Real ID?

MR. FRONAPFEL:

Yes.

CHAIR RHOADS:

Do you have enough windows?

MR. FRONAPFEL:

We will have four additional windows and there will be some overlap in the offices as a result of the addition of Real ID staff. We are evaluating how to set

up schedules in each of those offices to minimize the overlap and provide additional work for those employees.

CHAIR RHOADS:

Can you tell the Subcommittee about the Galletti Way office?

MR. FRONAPFEL:

Decision unit E-254 requests funding for a motor vehicle inspector III at the Galletti Way office in Reno. There are currently two motor vehicle inspector II positions in this office, and the workload is such they cannot meet the demands of a six-day-a-week operation. In comparing the workload at the Galletti Way office to its counterpart at the Henderson office, we determined the two inspectors in Reno served approximately the same number of customers as did the three inspectors at the Henderson office.

The Galletti Way inspection station served 48,402 customers from January 1, 2005, through April 30, 2006, while the three inspectors in Henderson served 48,802 customers during the same period. To meet the existing customer demands at the Galletti Way office, it has been necessary to take an appraiser or a window technician from the office to assist. In addition to performing inspections, the new position would be responsible for supervising the two existing inspectors. Motor vehicle inspectors also require specialized training which is not provided to appraisers or window technicians. Approval of this decision unit would bring the Galletti Way inspection station in line with those at the other metropolitan offices in the State.

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

CHAIR RHOADS:

Do the technicians have training to perform an inspector's duties?

MR. FRONAPFEL:

No. We do not provide the same level of training for technicians. This is the reason for the request for an additional inspector.

Decision unit E-257 requests the funding be placed in reserve for FY 2008-2009 for additional staff at the North Decatur Boulevard and Sahara Avenue offices. As previously mentioned, the remodel completed last year at the Sahara Avenue office resulted in additional customer service windows as did the move from the Carey Avenue office to the new North Decatur Boulevard office last March. The reserve funding request would support five window technicians and a supervisor at the Sahara Avenue office and seven window technicians and a supervisor at the North Decatur Boulevard office which will bring each office to the 100-percent staffing level.

E-257 Working Environment and Wage – Page DMV-98

The request will also serve to maintain the standard technician to supervisor ratio of approximately 10:1. Reserve funding is requested to allow continued monitoring of the customer wait times. When the wait times in each office reach and exceed 60 minutes on a continuous basis, we intend to approach the Interim Finance Committee for approval to hire the additional staff. Though we

did see a decrease in overall wait time, as a result of the 100-percent staffing approved in 2003, wait times are beginning to increase throughout the Las Vegas Valley. We believe they will again reach and exceed 60 minutes.

Based on the most recent statistics, the average wait time for the four southern metropolitan offices in FY 2006-2007 now stands at 56 minutes, up from 55 minutes in FY 2005-2006, and 49 minutes in FY 2004-2005. The average wait time at the Sahara Avenue office for FY 2006-2007 is currently 59 minutes. The average wait time at the Decatur Boulevard office for the current fiscal year is 46 minutes.

Decision unit E-733 is a request of funding for the maintenance of buildings and grounds at the Sahara Avenue office. Funds will be used for the construction of counters in the written testing area, construction of an enclosure for the motorcycle testing course, repair of the weight scale and purchase of modular office units for supervisors.

Construction of the counters in the written testing area was not included in the remodel completed last year. Enclosure of the motorcycle testing course will provide for safety of examiners and customers. With the closure of the Carey Avenue office last year, there is no longer an operating scale at a DMV office in southern Nevada. The scale at the Sahara Avenue office is currently inoperable, and with minor repairs it can be used for verification of vehicle weights. Finally, the modular units will be used to give supervisors at the Sahara Avenue office much-needed personal office space. They currently occupy two offices and there are six to eight supervisors in each office.

E-733 Maintenance of Buildings and Grounds – Page DMV-101

CHAIR RHOADS:

How long is the waiting time at the Sahara Avenue office?

MR. FRONAPFEL:

The waiting time at the Sahara Avenue office is currently 59 minutes.

CHAIR RHOADS:

It was 61 minutes. You have improved there.

MR. FRONAPFEL:

We have improved over the previous fiscal year as a result of the staffing bed with the relocation of the Carey Avenue office to the North Decatur Boulevard location. The customer load in the area has resulted in additional customers using the Sahara Avenue office due to its location.

CHAIR RHOADS:

Is it still growing with the opening of the Decatur Boulevard office?

MR. FRONAPFEL:

The Decatur Boulevard office customer volumes have decreased and those customers have spread between the West Flamingo Road and Sahara Avenue offices.

CHAIR RHOADS:

What is the justification for opening a Fernley office?

MR. FRONAPFEL:

Decision unit E-330 requests funds to establish, operate and maintain a full-service office in Fernley, approximately 30 miles east of the Reno-Sparks metropolitan area. This decision unit is the result of a request from the Mayor of the city of Fernley to establish a DMV office at the Fernley Civic Center. The city of Fernley incorporated in 2001, and since 2006 it has been the fastest-growing city in Nevada. Its population in 2000 was 8,543 and as of July 1, 2006, the population is 18,850. This represents a growth of approximately 121 percent over the six-year period and this growth rate is expected to continue.

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

ASSEMBLYMAN GRADY:

Many people in Fernley are required to drive 50 miles to Yerington for first-time drivers' licenses. Fernley is building a new city hall and is offering space in the building for a DMV office.

ASSEMBLYWOMAN MCCLAIN:

If the population is 18,000, how many people actually drive?

MR. FRONAPFEL:

I do not have the number of residents who currently hold a driver's license.

ASSEMBLYWOMAN MCCLAIN:

Why do they drive 50 miles to Yerington when they are 30 miles from Reno?

MR. FRONAPFEL:

They drive to Yerington and Fallon for one-on-one customer contact with employees in the offices. There are a variety of reasons they visit the other offices.

SENATOR BEERS:

What is the waiting time at the Yerington office?

MR. FRONAPFEL:

The wait is not long. The customers generally go to Yerington, Fallon or Reno.

ASSEMBLYWOMAN MCCLAIN:

In Las Vegas, people also drive nearly 30 miles to get to a DMV office.

CHAIR RHOADS:

Has kiosk use continued to increase?

MR. FRONAPFEL:

Kiosk use has leveled. To date, we are at over 500,000 transactions.

CHAIR RHOADS:

What is the percentage of kiosk users?

MR. FRONAPFEL:

We estimate kiosk use is about 12 percent.

CHAIR RHOADS:

We will now go to the budget of the Motor Carrier Division.

DMV - Motor Carrier – Budget Page DMV-105 (Volume III)
Budget Account 201-4717

EDGAR ROBERTS (Administrator, Motor Carrier Division, Department of Motor Vehicles):

The Motor Carrier Division budget has one decision unit, E-250. This decision unit requests a revenue officer III which is intended to augment the Department's ability to increase revenue collection activities related to taxpayers' licenses through the Motor Carrier Division. The Department seeks to expand and enhance the revenue collection efforts for delinquent and nonpaying accounts in the Motor Carrier Division. The addition of this position will enable the Motor Carrier Division to expand collection efforts through the use of the proposed revenue officer III as a lead position and first-line supervisor of the section.

E-250 Working Environment and Wage – Page DMV-107

CHAIR RHOADS:

Staff has indicated you hired a new revenue officer two years ago; why do you need another revenue officer?

MR. ROBERTS:

We hired auditors in the last budget cycle. We did not receive funding for a revenue officer. Current staff in the revenue section consists of four revenue officers and one administrative assistant. The supervisory duties are currently being shared by the other supervisors in the Motor Carrier Division.

Responsibilities of the position will include reviewing and resolving the more complex collection issues such as bankruptcies, judgments and administrative hearings, as well as providing technical expertise involving tax-revenue collection and enforcement activities.

CHAIR RHOADS:

A management analyst position was approved in 2003, but was reclassified to revenue officer. Is this correct?

MR. ROBERTS:

Since its inception in 1993, we have not had any new additions to the revenue section of the Motor Carrier Division.

CHAIR RHOADS:

Please work with staff to resolve this issue.

MR. ROBERTS:

A lead revenue officer III will greatly expand revenue collection while streamlining the daily functions of the section. With the addition of the revenue

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 19

officer III, it is anticipated backlog will be reduced and the unit will be able to collect additional revenues that are due to the State, counties, airports and municipalities.

The Motor Carrier revenue section's fuel-tax and registration collection in FY 2003-2004 was \$1.5 million. They worked on delinquencies of 1,028 accounts, but were unable to address 1,200 accounts.

In FY 2004-2005, the revenue officers collected \$1.6 million and worked on delinquencies of 1,174 accounts, but were unable to address 1,700 accounts.

In FY 2005-2006, the revenue officers collected \$2.5 million and worked on delinquencies of 1,400 accounts, but were unable to address 1,572 accounts.

CHAIR RHOADS:

Is the delinquent revenue increasing?

MR. ROBERTS:

Yes.

CHAIR RHOADS:

What position currently supervises the revenue section?

MR. ROBERTS:

We have four other supervisors within the Motor Carrier Division in the audit, fuel industry, fuel user and licensing sections who take turns overseeing the revenue section.

CHAIR PARKS:

Do you have a projection of how much revenue loss you sustained by not having reviewed 1,700 accounts in FY 2004-2005 and 1,572 accounts in FY 2005-2006?

MR. ROBERTS:

In FY 2004-2005, revenue not collected from 1,700 accounts is approximately \$2.4 million. In FY 2005-2006, revenue not collected from 1,572 accounts is approximately \$2.8 million.

CHAIR PARKS:

The cost ratio for each revenue officer to the amount collected is about 50:1.

MR. ROBERTS:

Currently, each revenue officer is collecting in excess of \$450,000.

SENATOR BEERS:

If we turn your uncollectible accounts over to the Office of the State Controller, would you need this position?

MR. ROBERTS:

Before we are able to write off any revenue, we must meet five criteria. Once the criteria have been met, we are able to write off the debt or send it to a collection agency.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 20

SENATOR BEERS:
Is this a statute or policy?

MR. ROBERTS:
It is a policy. We could give it to the Office of the State Controller.

SENATOR BEERS:
Does the statute give you the flexibility to not turn your debt over to the Office of the State Controller?

MR. ROBERTS:
No, I was speaking of the criteria we must meet before handing the debt over to a collection agency. We could hand the debt over to the Office of the State Controller.

SENATOR BEERS:
Are you paying an outside collection agency instead of using the Office of the State Controller?

MS. LEWIS:
Once an account has been worked by the revenue-collection group, we turn our non-motor carrier accounts over to Outsourcing Solutions Incorporated. We do not pay them; they receive a percentage of the collected debt.

I believe your question was, if we turn these accounts over to the Office of the State Controller, we would not need this staff.

SENATOR BEERS:
That is one question. The other point was that we would not have to give up half of the collection to the collection agency since we could keep the collection within State agencies.

MS. LEWIS:
That is a correct statement if the Office of the State Controller followed the account through to collections and it is not turned over to an outside agency.

SENATOR BEERS:
This is not what we are doing today.

MR. ROBERTS:
We are requesting a revenue officer III to help with the more complex revenue collection accounts and also serve as a first-line supervisor.

SENATOR BEERS:
Do you know what percentage of your receivables are over 120 days old?

MR. ROBERTS:
I do not have the information with me; I will provide it to your staff.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 21

SENATOR BEERS:

We would like to see the accounts which have not been turned over to the collection agency. It would be helpful to know how many have been processed to outside collections.

MR. ROBERTS:

We will provide information to the Subcommittee.

CHAIR RHOADS:

We will now discuss the research and development budget. Tell us about the program officer II position.

DMV - Research & Development – Budget Page DMV-112 (Volume III)
Budget Account 201-4742

MARK FROESE (Administrator, Research and Development Division, Department of Motor Vehicles):

One new program officer II position is being requested in decision unit E-251 to provide additional resources to meet the increased number of project requests submitted to this Division.

E-251 Working Environment and Wage – Page DMV-114

The DMV operates under 15 *Nevada Revised Statutes* (NRS) chapters. One of the major duties the Research and Development Division performs is drafting regulations and creating policies and procedures which fall under these 15 NRS chapters. The DMV technicians rely on these documents to perform their duties accurately and efficiently. The DMV technicians perform the base functions for the entire Department. They register, license and collect money. Everything the Department accomplishes is built upon these functions. It is important these tasks be properly completed.

Historically, when the Legislature is in session, 15 percent of all bills passed affect the DMV. For example, 41 weeks worth of work fell to the Research and Development Division from the 2005 Session and 64 weeks worth of work fell to the Division from the 2003 Session.

Policy and procedure tasks continually compete with federal mandates and programs. The new security requirements when utilizing the Social Security Online Verification System (SSOLV) is estimated to be over 200 hours of work for the Division. If the Department does not implement this project, the Social Security Administration will take away our ability to use the SSOLV. This interface is vital for issuing both driver's licenses and commercial driver's licenses.

The Motor Carrier Safety Improvement Act project took three Division staff over 1,100 hours. This was a federally mandated project.

The commercial driver's license audit and the implementation of the various projects from the federal findings have taken three Division staff over 1,000 hours of work. We must comply with the audit to continue receiving federal money.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 22

The National Motor Vehicle Title Information System project took three Division staff over 560 hours to complete.

These are several examples of projects which are assigned to the Research and Development Division. Currently, the Division has 144 open projects with a projected amount of time to complete these projects at 13,024 hours. As a result, with the current staffing levels, it has become impossible to create all the policies and procedures needed by the Department in a timely manner. Consequently, technicians may only have an e-mail or word of mouth to use as reference in performing their duties. This creates the risk of all technicians not doing the same task in the same manner, thus creating inconsistencies which result in the public not being served to the standards to which we strive.

This position will focus on the following four duties: creating new policies and procedures and conducting annual reviews of existing policies and procedures; researching legislation and regulations; assisting in creating business rules for the DMV's Information Technology Division; and conducting workshops and hearings for the public.

Without this additional program officer II, the Department is unable to meet its vision to provide exceptional governmental services to all customers. A core element of delivering exceptional customer service is ensuring our employees have the knowledge and tools to perform their jobs. The Research and Development Division has a commitment to give the DMV technicians accurate, up-to-date policies and procedures and the best tools possible to complete their tasks.

CHAIR RHOADS:

Did you say 15 percent of all bills passed are reviewed by the Research and Development Division?

MR. FROESE:

Yes.

CHAIR RHOADS:

The performance indicators do not show any benefits from adding this position.

MR. FROESE:

Performance indicator number two, percent of time dedicated to motor vehicle information technology, would benefit. We would like to increase this performance indicator to 30 percent.

CHAIR RHOADS:

The average turnaround time for policies and procedures for FY 2005-2006 was 64 days; 63 days is projected for FY 2006-2007, FY 2007-2008 and FY 2008-2009. Do you expect to only improve by one day?

MR. FROESE:

We have not revised this performance indicator to reflect the new position.

CHAIR RHOADS:

Please give the information to staff.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 23

We will now hear the budget for the Department of Public Safety (DPS), Training Division.

PUBLIC SAFETY

DPS - Training Division – Budget Page PUBLIC SAFETY-140 (Volume III)
Budget Account 101-3755

COLONEL CHRIS PERRY (Chief, Nevada Highway Patrol, Department of Public Safety):

Mr. Andy McAfee will be presenting B/A 101-3755 for the Training Division of the DPS.

ANDY MCAFEE (Deputy Training Commander, Nevada Highway Patrol, Department of Public Safety):

The Training Division's mission statement can be found in the title, train. We attempt to train all incoming law enforcement officers of the DPS, provide career enhancement, growth training, mandated training through the Nevada Peace Officers Standards and Training (POST) and State personnel regulation for the 1,800 personnel in the DPS. For a full text of our mission statement, please refer to page 2 of our handout entitled "Training Division Budget Fiscal Years 08/09" ([Exhibit C](#)).

We currently operate and supervise the DPS background investigation unit which offers investigatory services for all positions and incoming applicants within the DPS.

CHAIR RHOADS:

Tell the Subcommittee about the funding allocation.

MR. MCAFEE:

Approximately 90 percent of our funding is currently through the Highway Fund and approximately 10 percent is from the General Fund. We receive less than 1 percent from miscellaneous sales which incorporates shooting-range usage at the Department of Corrections. We lease shooting-range ground, charging a few State agencies for occupancy, as well as generating income from the sale of brass and lead at the range.

CHAIR RHOADS:

Are you working on changing the funding formula?

MR. MCAFEE:

Yes. We made a proposal, through Mr. Mark Krmpotic's office, of a formula of 32-percent General Fund, 68-percent Highway Fund allocation. This would be contingent upon the hiring authorities including divisions of the Nevada Highway Patrol (NHP), Parole and Probation (P&P), Investigation and Capitol Police. We train personnel of these divisions and it is difficult to speculate how many the divisions will hire. We believe our estimate is a good predictor of the personnel which will be hired over the next biennium.

CHAIR RHOADS:

Is this new funding formula included in the *Executive Budget*?

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 24

MR. MCAFEE:

No. At this point, it has not.

CHAIR RHOADS:

The staff has informed me the funding formula was discussed when preparing the *Executive Budget* and was not included. There needs to be a bill written to make this change.

MR. MCAFEE:

We will accomplish this by working with your staff.

SENATOR BEERS:

Is there an ancillary issue with bringing the P&P cadets into category 1 training when, by law, they only require category 2 training? They represent the General Fund portion.

MR. MCAFEE:

They are the General Fund portion of funding and comprise the majority of our General Fund training. Currently, and since 2003, we have operated an academy which only trains category 1 basic peace officers as defined through the POST. The reasoning is, once we became the DPS in 1999 and started effecting change in 2002, it became apparent if we did not offer category 1 training, it would greatly reduce our flexibility to allow officers to transfer between divisions.

The NHP must be category 1 and, over the last 2 years, we have seen the greatest number of divisional transfers coming from P&P and moving to the NHP.

SENATOR BEERS:

One option is to reduce the standards to a level of legal compliance by returning to category 2 training for P&P officers which would reduce the General Fund percentage in this account as well as reduce the cost to the P&P.

Do you have an estimate on the dollar value of changing the General Fund portion from 10 percent to 32 percent?

MR. MCAFEE:

Our total budget is \$1,770,000.

SENATOR BEERS:

This is roughly a \$400,000 General Fund impact. Is the Budget Division aware there will be an amendment to B/A 101-3755?

JIM RODRIGUEZ (Budget Analyst, Department of Administration):

We were aware of the issue during the Base Budget review. It was to be a policy decision to move from the 10-percent General Fund allocation to the proposed figures. When this decision is made, we will expect an amendment.

SENATOR BEERS:

Are you expecting an amendment to be given to the Budget Division?

MR. RODRIGUEZ:

If we are requested to submit an amendment to change the budget ...

SENATOR BEERS:

I believe the Subcommittee just requested it. The problem is, I do not believe this is a policy issue. I believe it is a function of the funding source of those we are training and potentially needing to refund to the Highway Fund.

MR. RODRIGUEZ:

This has been an issue for several biennia.

SENATOR BEERS:

It has not been an issue for us. We have been told there was not enough data to determine budget utilization by the P&P and the NHP. We have been unaware of this being an issue for several bienniums.

MR. RODRIGUEZ:

This issue is not new to the Legislature. The issue is who they train, how they train and how it is being funded. You may recall the Training Division's service was interrupted for a period of time. Now, with the new training schedule and plan in place, it may require an adjustment in funding.

SENATOR BEERS:

Are you awaiting action from this Subcommittee to trigger the development on a budget amendment?

MR. RODRIGUEZ:

Yes. When you accept the figures the Training Division has proposed in their new allocation. This is also dependent on what we see coming through the training program.

SENATOR BEERS:

Does this Subcommittee need to make a formal resolution in which we reallocate the funding sources to comply with the ratio of cadets from each division?

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

Staff brought this issue to the attention of the Subcommittee based on information provided from the last fiscal year of the current biennium and projected in the next biennium additional General Funds should be included in the Training Division budget to properly represent the funding source with the efforts of the division.

This was brought to the attention of the Budget Division during the Base Budget review. The agency responded with information to perform an allocation and, so far, the Governor's recommended budget does not reflect any change.

It will be up to the Subcommittee at closing how much it wishes to increase General Funds. Staff will provide some recommendations to the Subcommittee which will fairly represent the funding sources for this budget account.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 26

SENATOR BEERS:

The Subcommittee should formally notify the Budget Division of the situation since it has an impact on the overall budget and the amount of General Fund we are spending.

CHAIR RHOADS:

As of now, the Budget Division is officially notified.

SENATOR BEERS:

We should suggest the Budget Division examine, as an alternative, reducing the amount of General Fund appropriations to this account by providing only the required category 2 training to P&P personnel.

CHAIR PARKS:

When and why did P&P cadets begin receiving category 1 training? I do not need an answer now. It is relative to other issues beyond this budget.

CHAIR RHOADS:

Tell the Subcommittee about the new joint training facility and substation capital improvement project (CIP).

MR. McAFEE:

Capital improvement project 07-C29 has passed the recommendation board of the State Public Works Board, making it into the top 30 of their upcoming project plans. The cost is approximately \$21 million to build a co-operated training and NHP subcommand building in the North Las Vegas Valley area. The location will be near the National Guard Armory off Interstate 15 and Interstate 215.

CHAIR RHOADS:

Where will the funds come from?

MR. McAFEE:

The funds are being requested from the NHP and the National Guard has donated some of the land.

CHAIR RHOADS:

Is there a 5-percent portion from the General Fund?

MR. PERRY:

This is under the current funding we have in place. It will need to be readjusted should the percentage of General Fund and Highway Fund change.

ASSEMBLYWOMAN McCLAIN:

What is the difference between category I and category II training and costs?

MR. McAFEE:

The POST mandates require approximately 200 hours of training. Category I training is mandated at 680 hours and we offer approximately 1,000 hours based on high-liability training areas. If you put a P&P officer through a category II academy, which is 480 hours, when they graduate they would

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 27

receive an additional 160 hours of P&P specific training. A NHP cadet receives 160 hours of specific training as well.

Ultimately, we have a total period of 200 hours. It is a minimal cost when we consider P&P officers often transfer to the NHP, and we must put them through additional training as well as 160 hours of NHP specific training.

ASSEMBLYWOMAN MCCLAIN:

I do not know if offering category 2 training will save money or cost us more when you consider it as a pool for NHP officers.

What exactly is in-service training for civilians?

MR. MCAFEE:

Currently, it is mostly defensive driving training as mandated for State employees. We also offer first-time supervision training, Federal Bureau of Investigation-sponsored leadership school, computer classes and dispatch academy and service training. There are a myriad of in-service programs.

ASSEMBLYWOMAN MCCLAIN:

Are these programs for DPS employees?

MR. MCAFEE:

Yes.

SENATOR BEERS:

Do we have a change in the dollar amount for CIP 07-C29 to reflect the change in the ratio of General and Highway Funds?

MR. PERRY:

It will be the same ratio as what is decided for funding sources.

SENATOR BEERS:

Staff tells me the CIP is 5-percent General Fund. What is the scope of the project?

MR. PERRY:

The project is a 22,000 square-foot dual-purpose facility. Half will be a NHP substation for the northern portion of the Las Vegas Valley, the other half will be a training facility for the southern part of the State.

SENATOR BEERS:

Half of the facility will be used for training which is why only 5 percent is General Fund?

MR. PERRY:

Yes.

SENATOR BEERS:

Instead of a 22-percent increase, it will be an 11-percent increase.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 28

MR. PERRY:
Yes.

SENATOR BEERS:
What is the value of the project?

MR. PERRY:
The project is approximately \$22 million and the General Fund appropriation will be about \$2.5 million.

SENATOR BEERS:
Another option may be to move the P&P into the Department of Corrections rather than the DPS. Is this being examined by the Assembly Select Committee on Corrections, Parole and Probation?

ASSEMBLYWOMAN MCCLAIN:
Yes.

SENATOR BEERS:
Will there be a bill? It has a budget impact, and we might want to direct staff to start preparing a bill and a fiscal impact report.

ASSEMBLYWOMAN MCCLAIN:
There are many options the Select Committee on Corrections, Parole and Probation is reviewing, and this is one of them.

SENATOR BEERS:
Procedurally and time wise, I do not know how to move forward.

CHAIR RHOADS:
We can refer this to the Joint Subcommittee on Higher Education and Capital Improvement.

SENATOR BEERS:
Chair Parks, I believe we have quantified a \$2.5 million General Fund impact with this CIP. We need to make sure the Joint Subcommittee on Higher Education and Capital Improvement is aware of this forthcoming budget amendment.

There has been discussion about whether or not it would be appropriate for this Subcommittee to discuss moving the P&P out of the DPS and into the Department of Corrections which has been discussed in the Select Committee on Corrections, Parole and Probation. It has a potential budget impact and a potentially significant General Fund impact.

I do not know whether to direct staff to draft a bill and a fiscal impact report or to request one or both of our subcommittees to draft a bill.

CHAIR PARKS:
The Select Committee on Corrections, Parole and Probation has been approached with the issue of where the P&P should fit into the overall scheme.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 29

Nevada is the only state which operates a P&P operation outside of the Department of Corrections.

I would concur, some of these fiscal issues should be investigated and will ensure a request is forthcoming to review these issues from a purely fiscal perspective.

SENATOR BEERS MOVED TO REQUEST LEGISLATIVE COUNSEL BUREAU STAFF TO EXAMINE THE FISCAL IMPACT OF MOVING THE DIVISION OF PAROLE AND PROBATION AND STATE BOARD OF PAROLE COMMISSIONERS FROM THE DEPARTMENT OF PUBLIC SAFETY INTO THE DEPARTMENT OF CORRECTIONS IN ANTICIPATION OF SUCH A BILL BEING PROCESSED.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

CHAIR RHOADS:

We will move on with the budget. What can you tell us about the background investigations unit?

MR. MCAFEE:

The background investigations unit is currently comprised of four part-time administrative assistant III positions and one full-time administrative II position. It is supervised by a DPS lieutenant who has additional duties in the Training Division.

CHAIR RHOADS:

Why is the lieutenant position necessary?

MR. MCAFEE:

Previously, a sergeant position was allocated to be responsible for the background investigation unit which had other members other than the five I mentioned, including sworn officers. At the time, the numbers of cadets we would be generating at the Las Vegas Training Division were unknown. The Las Vegas academy has consistently produced twice the number of cadets as the northern academy.

When the system was established, a sergeant was assigned to the southern academy with two training officers. As the number of cadets increased, a training officer was reallocated from Carson City to assist in Las Vegas and the sergeant was promoted to the Highway Patrol. The background investigation sergeant position was reallocated and transferred to Las Vegas.

CHAIR RHOADS:

Can we now eliminate the lieutenant position?

MR. MCAFEE:

The sergeant position in the north took responsibility for in-service training, four training officer positions and the background investigations unit. The sergeant was then responsible for three sections; the basic academy, the in-service section and the background investigations unit. A request was made through the Department, the Department of Personnel and the Budget Division to reclassify the position to the DPS lieutenant which was granted.

CHAIR RHOADS:

Do the statistics provided for training capacity represent full utilization of the Department's facilities?

MR. MCAFEE:

As seen on page 5 of your handout ([Exhibit C](#)), in FY 2005-2006 we predicted we would be able to train 174 officers through the basic academy programs and we actually trained 132 which was a 100-percent increase over FY 2004-2005.

The performance indicators, as established by prior management, are not realistic since we are at the whim of the hiring authorities. At this point, we have not rejected anybody based on an inability to train and have not yet met our full capacity. The new performance indicators, listed on pages 4 and 5 of the handout, are quantifiable figures.

CHAIR RHOADS:

What is the nature of the training received by the 405 civilian employees?

MR. MCAFEE:

We perform career enhancement, sexual harassment and cultural diversity training. We also offer supervision and leadership training once each year which has been comprised of mostly non-sworn employees.

CHAIR RHOADS:

Where does the supervision and leadership training take place?

MR. MCAFEE:

The training takes place in Carson City.

SENATOR BEERS:

It may be time to open a State-run college for the various agencies. Our community colleges are active in asking various organizations what types of classes they would like to be made available. If 20 or more students can be recruited, the colleges will prepare a class in the subject matter the organization desires. The State might want to consider developing this type of internal resource over the next biennium.

MR. MCAFEE:

This is what we have envisioned. We have a partnership with Western Nevada Community College and currently share resources with them. Driving our Department and our employees toward a more structured secondary education is one of our director's biggest focus points.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 31

CHAIR PARKS:

I understand POST will have a CIP request to develop a track area; will this be operated jointly by both agencies?

MR. McAFEE:

It will be operated by POST, but we will make use of the track. In the north, we currently use the end of a runway in Stead for training and recertification for in-service training.

CHAIR RHOADS:

We will now discuss B/A 101-3816.

DPS - Fire Marshal – Budget Page PUBLIC SAFETY-172 (Volume III)
Budget Account 101-3816

JIM WRIGHT (Chief, State Fire Marshal Division, Department of Public Safety):

Since I am new to this position and have not had the opportunity to meet many of the members of this Subcommittee, I would like to give you a briefing on my background.

I am approaching 36 years of fire service experience. I started right out of high school when I enlisted in the U.S. Air Force as a fire protection specialist. After serving our country, I moved on to a 30-year career with the California Department of Forestry (CDF) and Fire Protection. Working through the ranks from firefighter, I was able to develop a diverse and multidisciplined background in fire suppression in urbanized and wildland settings working with volunteer and career firefighters. I was a California sworn peace officer for 23 years.

I finished my career with CDF last June as the deputy director chief of fire protection where I was responsible for statewide fire-protection programs, training, law enforcement for the department and contractual and cooperative fire-protection programs. My education background consists of fire science and administration of justice.

I feel my experience will serve well for Nevada's needs in a fire marshal. The commitment I have made is to bring leadership and tenure to make a difference with this Division.

On page 1 of your presentation package entitled, "State Fire Marshal Division Budget FY 2008-2009" ([Exhibit D](#)), is the outline of our mission and statutory authority. Page 2 is the current organizational chart, and page 3 shows the proposed organizational chart.

Page 4 outlines the performance indicators which were submitted with the budget package, and page 5 lists the performance indicators which have been replaced by the indicators on page 4. Page 6 provides a visual display of our funding sources for FY 2007-2008, and page 7 shows the funding sources for FY 2008-2009.

Page 8 shows the accomplishments of the State Fire Marshal Division. In FY 2005-2006, the DPS provided an administrative analysis and division restructuring plan. In FY 2006-2007, a new fire marshal was hired. We are

reviewing business practices and the *Nevada Revised Statutes* (NRS) and *Nevada Administrative Code* (NAC) with the assistance of staff from the Office of the Attorney General. We are modernizing the licensing program and developing and implementing corrective action for the hazardous materials permit and database program.

Page 9 lists the budget requests, and page 10 lists the request for one-shot appropriations.

Page 11 is a review of the Division's goals. We want to improve the image of the Division by earning and maintaining credibility, trust and value of existence through the mission services provided to the citizens and public safety community of the State of Nevada. We will improve our administrative and fiscal responsibilities and expand cooperative working relationships and communication. We will analyze the fee structure related to fee-supported services and review and revise the NRSs and NACs. We want to be successful in delivering quality fire-prevention education, fire-services training, fire- and life-safety inspections, plan reviews, licensing and permitting, investigation and enforcement services.

Over the last year, there has been a considerable amount of work directed to the Division, a result of input from the State Board of Fire Services, as to what was needed in the State Fire Marshal programs. There is much work yet to be done, internally as well as externally, to achieve a stable organization which is funded correctly to support the Division's core missions.

Continued support of the DPS, the State Board of Fire Services, development community, local government and the Legislature is needed to make this Division successful. The State Fire Marshal Division is committed, and has the desire, to prove our worth and ability in meeting today's needs as well as tomorrow's.

CHAIR RHOADS:

Can you elaborate on amendment 71 to B/A 101-3816?

MARK TESKA (Administrator, Administrative Services, Department of Public Safety):

Plan-review revenue has been analyzed for the past several months. Legislation in the 73rd Legislative Session would have reduced the State Fire Marshal Division's role in population-capped counties relative to plan-review services. Ultimately, the legislation did not pass; however, it was anticipated something similar would develop in the current session and there was doubt the Division could achieve significant plan-review revenues in FY 2006-2007. As a result, five positions were frozen due to the uncertainty of the funding source.

The initial budget was developed based upon the assumption of plan-review revenues decreasing significantly, and the Division would not be working in population-capped counties. Late in the budget process, we learned the Clark County School District still desired to have the Division participate in plan-review services. We have done further analysis on past plan-review revenue and requested the amendment to more accurately reflect our most recent projections. We anticipate increased plan-review revenues in

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 33

FY 2008-2009 than were originally included in the Governor's recommended budget.

CHAIR RHOADS:

How did you determine the increase in plan-review fees?

MR. TESKA:

There were several factors. We are anticipating 10 to 12 new schools each year, for the next several years, in the Clark County School District. Additionally, it is anticipated new hospitals will be built throughout the State and Public Works Board projects are being considered by Legislature which, if funded, will result in additional plan-review revenue.

CHAIR RHOADS:

Will this be the first year the Division will cover Public Works buildings in the two major counties?

MR. TESKA:

No. We have been providing those services, regardless of which county, for State facilities statewide.

SENATOR BEERS:

Can you supply our staff with a copy of the agreements with the Clark County School District?

MR. TESKA:

Yes. We will provide the information.

SENATOR TITUS:

Are you sure you will have enough money if you do not raise your fees?

MR. TESKA:

For the past several years, the Division has generated over \$1 million in fee revenue. The original budget was developed assuming legislation would limit the Division's participation in population-capped counties. Now, it looks as though this will not happen, we anticipate collecting approximately \$1 million each year in plan-review fees.

This is dependent on the amount of development, since development will drive how much plan-review is collected.

SENATOR TITUS:

Where did this legislation come from and what was changed?

MR. TESKA:

The legislation was vetoed by the Governor which would have taken the State Fire Marshal Division out of the plan-review business in the population-capped counties. Since it was vetoed, it had to be introduced during this Legislative Session for consideration. It is my understanding the legislation has died.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 34

ASSEMBLYWOMAN MCCLAIN:

Are we duplicating efforts? Are you performing plan reviews on the same plans which are reviewed by the school districts and hospitals?

MR. WRIGHT:

The process we go through on a school plan, for example, is the school district would submit a plan to our office; we would provide the plan review and interact with the local government fire service to get their input for requirements to the plan. Once the plan is processed, the local government fire service will provide follow-up inspections as the development progresses through its construction phases. We eliminate as much duplication as possible by involving the local fire-protection service in our plan-review process.

ASSEMBLYWOMAN MCCLAIN:

Are the local fire-protection services also collecting a fee from the school districts?

MR. WRIGHT:

There may be some fees being charged at the local level, but for the plan-review portion, the fees are collected by the State Fire Marshal Division.

ASSEMBLYWOMAN MCCLAIN:

What is your year-to-date collection?

MR. TESKA:

I do not have the exact figure with me. I believe it is in excess of \$900,000.

ASSEMBLYWOMAN MCCLAIN:

Our budget shows \$1.2 million. If you are adding projects and collecting additional fees, will your \$1.3 million estimate be below actual collection for the year?

MR. WRIGHT:

As I have been able to assess the process, it appears from past history the projections have been difficult to develop. The factors which affect these projections are dependent upon when a project begins and if it will be funded. We are doing our best to ascertain what projects and developments will come in the future and how much they may bring in revenue.

ASSEMBLYWOMAN MCCLAIN:

We have a good idea which State projects will be approved. Hospitals represent 25 percent of your review fees and schools represent over 27 percent. This is a large amount of money to lose if they decide they do not need your services.

CHAIR PARKS:

Perhaps staff can review these numbers and refine them.

Why did the agency request eliminating the positions in decision units E-225, E-226 and E-227 in FY 2007-2008, and why did the Governor reestablish these positions in the Base Budget?

E-226 Eliminate Duplicate Effort – Page Public Safety-177

E-227 Eliminate Duplicate Effort – Page Public Safety-178

MR. WRIGHT:

The elimination of the three positions outlined in E-225, E-226 and E-227 were determined at the time this budget was being prepared. Given the information available and the potential revenue stream coming into the Division, these were the best projections of what the Division needed to operate. The decision to reenact several positions, which were frozen due to budget projections, was reconsidered after I was hired and analyzed as to what level of services needed to be provided. The positions selected to be reinstated were the most vital positions needed to carry out our mission.

CHAIR PARKS:

We are looking at Position Control Numbers 12, 99, 186, 219 and 233. We have noted the length of time these positions have been vacant. Why are they recommended for continuation?

MR. TESKA:

The five positions which were frozen, and not filled during the current biennium, were supported with plan-review fees. Since we will be conducting plan-review services in the population-capped counties, and the revenue stream for plan-review fees is no longer projected to decrease, we requested to reinstate those frozen positions.

If there are questions about any of the other positions, they are separate issues of the five which were frozen.

CHAIR PARKS:

Revenues were generated without these positions and we are now anticipating reduced revenues and still having these additional positions funded.

MR. WRIGHT:

There has been a question about the number of Division staff and the amount of revenue generated. We need to look at all the tasks associated with the income generated by plan-review fees. We currently have two plan reviewers on staff which also follow up on field inspections and see those projects through to completion. We have some deficient operational abilities. We have strived to maintain a minimal plan-review turnaround time and we are currently operating at a 30- to 60-day turnaround in the plan review. Associated with the plan reviews are the field inspections of the projects.

We are falling behind in our ability to respond to the requests of the developers for field inspections. I believe in supporting development because it is good for business, but when we have difficulty in providing service in a timely manner, it has a negative impact on development.

My biggest concern is our ability to provide quality control on the plan reviews we are completing. I know for a fact our staff has missed things and developments have been built with items potentially missing from the plans. If we are pushing through plans to enhance our revenue for the survival of the

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 36

Division, I have a concern. We need to do a better job, ensure we are providing a quality service and provide quality control to go along with the service.

CHAIR RHOADS:

Have we covered decision unit E-226?

MR. TESKA:

When the budget was submitted, it was anticipated the plan-review fees would be significantly reduced and we proposed to eliminate one of the plans examiner positions. There are two plans examiner positions within the five frozen positions which are requested be restored.

CHAIR RHOADS:

You do not need the plans examiner, the training officer or the accountant assistant positions?

MR. TESKA:

That is correct.

CHAIR RHOADS:

The two DPS officer II and hazardous materials inspector I positions have no relationship to plan review; why are they being reestablished?

MR. WRIGHT:

These positions have responsibilities for plan-review follow up. I have established primary and secondary roles for positions within the Division. An inspector position can provide back-up service to the plans examiner in plan-review inspections as they occur in the field. Our investigators also provide enforcement services in the instance of a developer not following the plans and codes.

CHAIR RHOADS:

Why does the agency recommend the elimination of the training officer in decision unit E-225?

MR. WRIGHT:

The decision to eliminate the position was based on facts determined prior to my arrival. It was determined, based upon the overall positions needed at this time; the training officer position could be eliminated while still providing a manager and a training coordinator for each region in the State.

CHAIR RHOADS:

Do you have other training personnel?

MR. WRIGHT:

We currently have one manager and three training coordinators.

CHAIR RHOADS:

Why is the accounting assistant position being eliminated?

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 37

MR. WRIGHT:

It was determined the administrative workload within the Division could be handled with the two positions currently on staff.

CHAIR RHOADS:

Are you aware our staff will recommend an adjustment to annualize the Beatty dump in each year of the biennium?

MR. WRIGHT:

Over the last three fiscal years, the Division has lost about \$275,000 due to the present transfer process. It occurs when fourth-quarter dump fees are deposited into our account after the close of the fiscal year in August. The Division lost approximately \$78,000 last year due to the late deposit. We are hoping to work with the State Department of Conservation and Natural Resources and the federal Environmental Protection Agency to develop an administration process which allows us to collect the funds, either by allowing the fourth quarter to be recognized as a first-quarter deposit or a fourth-quarter estimate based upon historical averages.

CHAIR PARKS:

Are you truly losing these funds? Is the money coming in and not being accrued to your budget?

MR. WRIGHT:

The deposit is coming in, but reverting to the General Fund.

Joint Subcommittee on Public Safety/Natural Resources/Transportation
Senate Committee on Finance
Assembly Committee on Ways and Means
March 20, 2007
Page 38

CHAIR RHOADS:
There being no further business before the Subcommittee, the meeting is
adjourned at 10:26 a.m.

RESPECTFULLY SUBMITTED:

Michael Bohling,
Committee Secretary

APPROVED BY:

Senator Dean A. Rhoads, Chair

DATE: _____

Assemblyman David R. Parks, Chair

DATE: _____