

**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
April 3, 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 8:09 a.m. on Tuesday, April 3, 2007. Assemblyman David R. Parks 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.

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

SENATE SUBCOMMITTEE MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

Steven J. Abba, Principal Deputy Fiscal Analyst
Jeffrey A. Ferguson, Program Analyst
Larry L. Peri, Principal Deputy Fiscal Analyst
Michael Archer, Committee Secretary

OTHERS PRESENT:

Kay Scherer, Deputy Director, Department of Conservation and Natural Resources
Glenn Clemmer, Ph.D., Administrator, Nevada Natural Heritage Program, Department of Conservation and Natural Resources
Catherine Barcomb, Administrator, Commission for the Preservation of Wild Horses, Department of Conservation and Natural Resources
Leo Drozdoff, P.E., Administrator, Division of Environmental Protection, Department of Conservation and Natural Resources
David Emme, Chief, Administrative Services, Division of Environmental Protection, Department of Conservation and Natural Resources

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CHAIR PARKS:

We will open this meeting with comments from our Fiscal staff.

LARRY L. PERI (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Budget closings that result from this meeting will be subject to adjustments by the Fiscal Analysis Division staff. This includes adjustments that may be required based on the final adopted Statewide Cost Allocation Plan and Attorney General Cost Allocation Plan, internal cost allocations within various departments, adjustments based on the final adopted Department of Information Technology (DoIT) budget, adjustments for fringe benefits based on the final adopted budgets, adjustments for State-owned building rent and adjustments for prices for computer hardware, software, vehicles, etc., based on updated prices from the Purchasing Division. Unclassified salary adjustments would be subject to the recommendations of the unclassified salary committee. Please refer to the handout prepared by the Fiscal staff titled "Joint Subcommittee on Public Safety, Natural Resources and Transportation, Closing List #1, April 3, 2007" ([Exhibit C](#), original is on file in the Research Library).

JEFFREY A. FERGUSON (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Four of the budgets we will be discussing contain General Fund appropriations. Staff suggests we discuss closing these budgets today with the understanding we can temporarily reopen these accounts if changes need to be made as the result of budget cuts later recommended by the Governor. Two budget accounts we will be discussing contain small General Fund appropriations to obtain federal matching funds. The Fiscal staff suggests the Subcommittee consider closing those today.

CHAIR PARKS:

I agree we should include those accounts in today's budget closings.

MR. FERGUSON:

We will begin by discussing the Department of Conservation and Natural Resources (DCNR) administrative budget account (B/A) 101-4150.

INFRASTRUCTURE

CONSERVATION AND NATURAL RESOURCES

DCNR - Administration – Budget Page DCNR-1 (Volume III)
Budget Account 101-4150

Decision module E-720 has been removed from this budget because the recommended amount of \$11,740 to purchase laptop computers and software in fiscal year (FY) 2007-2008 will be provided through the Office of Homeland Security funds.

E-720 New Equipment – Page DCNR-5

Decision module E-900 transfers the Cooperative Snow Survey program from the DCNR Director's Office to the Division of Water Resources. Staff

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recommends this account be closed as recommended by the Governor with technical adjustments as needed.

E-900 Transfer of Coop Snow Survey to B/A 4171 – Page DCNR-6

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-4150, TO REMOVE DECISION MODULE E-720; TRANSFER THE COOPERATIVE SNOW SURVEY PROGRAM FROM THE DCNR DIRECTOR'S OFFICE TO THE DIVISION OF WATER RESOURCES AS RECOMMENDED BY THE GOVERNOR; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN McCLAIN.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN GRADY WAS ABSENT FOR THE VOTE.)

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

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MR. FERGUSON:

We will now discuss the Nevada Natural Heritage budget.

DCNR - Nevada Natural Heritage – Budget Page DCNR-8(Volume III)
Budget Account 101-4101

In B/A 101-4101, there is a General Fund appropriation of \$166,172 for FY 2007-2008 and \$178,806 for FY 2008-2009. To fully fund the biologist position in decision module E-350, \$17,173 would be transferred in each year of the biennium from the Nevada Department of Transportation (NDOT) into B/A 101-4101 and placed in reserve. Budget accounts containing General Funds, or Highway Funds, typically do not carry a reserve. However, this budget account contains funds from both. Staff recommends the reserve in this budget account be eliminated.

E-350 Environmental Policies and Programs – Page DCNR-12

The *Executive Budget* indicates there will be database sales revenues of \$17,195 in each year of the biennium. However, the agency is concerned there will be insufficient revenue. Therefore, staff also recommends reducing database sales revenues by \$4,269 in each year and providing \$4,269 in transfers from NDOT in each year of the biennium to fully fund the biologist position.

ASSEMBLYWOMAN McCLAIN:

Did the last Legislative Session allow Highway Fund money to be in this budget account?

MR. FERGUSON:

Yes. This account is funded primarily from the Highway Fund. The additional \$4,269 transfer from NDOT in each year of the coming biennium for funding the biologist position will not to be included in the reserve. The reserve will be eliminated.

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE RESERVE ISSUE IN BUDGET ACCOUNT 101-4101; TO ELIMINATE THE RESERVE AND TRANSFERS FROM NDOT OF \$17,173 IN EACH YEAR OF THE BIENNIUM; INCREASE TRANSFERS FROM NDOT BY \$4,269 IN EACH YEAR OF THE BIENNIUM TO FULLY FUND A BIOLOGIST III POSITION; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY SENATOR RHOADS.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN GRADY WAS ABSENT FOR THE VOTE.)

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

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MR. FERGUSON

The next issue we will discuss in B/A 101-4101 is the increase in out-of-state travel funding as shown in decision module E-352. This is described on page 4 of [Exhibit C](#). The main out-of-state travel component is a trip to the American Society of Fisheries' meetings. The DCNR has not previously been represented at these meetings. This travel would cost \$4,402 over the biennium. Half of that cost would come from the General Fund.

E-352 Environmental Policies and Programs – Page DCNR-12

Page 5 of [Exhibit C](#) shows recommended additional out-of-state travel for the DCNR staff. The chart also displays agency priorities with regard to these proposed trips. Staff has developed three possible scenarios for dealing with these travel requests:

- In Scenario A, the Subcommittee could approve all of the out-of-state travel as recommended by the Governor. This scenario would increase out-of-state travel from actual expenditures of \$5,300 in FY 2005-2006 to \$14,188 in FY 2007-2008 and \$14,995 in FY 2008-2009. This represents increases of 168 percent and 183 percent, respectively.
- In Scenario B, the Subcommittee could approve all recommended new travel as outlined in the table and eliminate the trips for both the administrator and a staff member to the American Society of Fisheries' meetings. This scenario provides savings of \$4,402 over the biennium, including \$2,201 from the General Fund.

- In Scenario C, the Subcommittee could approve only the top three prioritized trips in each year of the biennium as reflected in the table, and eliminate the trips for both the administrator and a staff member to attend the American Society of Fisheries' meetings. This scenario would reduce out-of-state travel by \$3,154 in FY 2007-2008, \$1,180 of which would come from the General Fund and \$5,539 in FY 2008-2009, of which \$1,386 would come from the General Fund.

Does the Subcommittee wish to approve one of these scenarios?

CHAIR PARKS:

If this travel is reimbursable through federal grants, and there is no other General Fund involvement, I would vote to approve this additional travel.

SENATOR BEERS:

In light of the recent news about a revenue shortfall, has the DCNR already reprioritized this travel request?

KAY SCHERER (Deputy Director, State Department of Conservation and Natural Resources):

We have considered cuts in this travel request.

GLENN CLEMMER, Ph.D. (Administrator, Nevada Natural Heritage Program, State Department of Conservation and Natural Resources):

Because of my background in ichthyology, we have been asked to attend the American Society of Fisheries' meetings. However, as a result of information about a projected shortfall in revenue, we are suggesting this be cut from the budget but retain the in-state travel requests.

MR. FERGUSON:

In Scenarios B and C, there are General Fund savings.

CHAIR PARKS:

If you eliminated trips to the American Society of Fisheries' meetings, would that remove the entire General Fund portion of the recommended out-of-state travel?

DR. CLEMMER:

No, it would represent about one-third of our proposed budget for out-of-state travel.

Ms. SCHERER:

Scenario B would be the most consistent with what we are currently recommending.

SENATOR BEERS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE OUT-OF-STATE TRAVEL ISSUE IN BUDGET ACCOUNT 101-4101; TO ELIMINATE THE TRIPS FOR BOTH AN ADMINISTRATOR AND STAFF MEMBER TO THE AMERICAN SOCIETY OF FISHERIES' MEETINGS; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY SENATOR RHOADS.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN GRADY WAS ABSENT FOR THE VOTE.)

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

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MR. FERGUSON:

The next issue we will discuss in B/A 101-4101 is the proposed increase of in-state travel funding shown in decision module E-351. Details of this anticipated travel are listed on page 5 of [Exhibit C](#).

E-351 Environmental Policies and Programs – Page DCNR-12

The *Executive Budget* recommends \$7,100 for in-state travel in the coming biennium. This is an 80-percent increase over what was expended in FY 2005-2006. Of this requested amount, \$1,100 is from a transfer of the federal Land and Water Conservation program funds through the State Parks' budget account B/A 101-4162.

DCNR - State Parks – Budget Page DCNR-43 (Volume III)
Budget Account 101-4162

Staff recommends retaining travel requests funded by this source. If the Subcommittee chooses to reduce the number of General Fund-supported in-state travel expenditures, it could elect to eliminate one-third, or one-half, of the prioritized trips. Elimination of one-third of these trips would provide a General Fund savings of \$1,242 over the coming biennium. The elimination of one-half of these trips would save \$1,577 over the same period.

CHAIR PARKS:

Has the Governor asked for further cuts in your in-state travel requests as a result of the anticipated revenue shortfall?

Ms. SCHERER:

We met with the Budget Division analysts but have not heard from them about further cuts. At that meeting, we left our in-state travel requests intact and eliminated our out-of-state travel. We feel it is important for our administrator and staff to travel to southern and eastern Nevada where there are a number of multispecies issues.

CHAIR PARKS:

Given the nature of this work, I recognize how important it is for them to be out in the field.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE IN-STATE TRAVEL ISSUE IN BUDGET ACCOUNT 101-4101 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY SENATOR BEERS.
ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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MR. FERGUSON:

The next issue in B/A 101-4101 is position reclassifications in
decision module E-805.

E-805 Classified Position Reclassifications – Page DCNR-14

As described on page 6 of [Exhibit C](#), the Governor recommends \$19,659 in
FY 2007-2008 and \$20,760 in FY 2008-2009 to upgrade
two biologist III positions to biologist IV. Please refer to the organizational charts
on pages 36 and 37 of [Exhibit C](#) for a comparison of how the Nevada Natural
Heritage Program now looks and how it will look if E-805 is approved. The
reclassification will not utilize any General Fund money and appears reasonable
to staff. However, these positions would not be reclassified if they do not
receive approval from the Department of Personnel (DOP).

CHAIR PARKS:

Has a request been submitted to the DOP for review of this reclassification
request?

DR. CLEMMER:

We have submitted a request to them; though a decision has not yet been
made.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL
COMMITTEE TO CLOSE THE POSITION RECLASSIFICATION ISSUE IN
BUDGET ACCOUNT 101-4101 AS RECOMMENDED BY THE GOVERNOR
AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS
NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYMAN HOGAN.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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MR. FERGUSON:

The other closing items are listed on page 6 of [Exhibit C](#) and appear reasonable
to staff.

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SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE ALL OTHER CLOSING ISSUES IN BUDGET ACCOUNT 101-4101 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN KOIVISTO.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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MR. FERGUSON:

We will now discuss the budget for the Heil Wild Horse Bequest.

DCNR - Heil Wild Horse Bequest – Budget Page DCNR-25 (Volume III)
Budget Account 607-4156

Without General Fund support, this budget will run out of money after the FY 2007-2009 biennium. Staff recently discovered an error in the budget that provided an additional \$20,000 to the ending reserve. This windfall will allow the agency to operate for the first few months of FY 2009-2010.

ASSEMBLYWOMAN McCLAIN:

Will this budget account exist after that?

MR. FERGUSON:

Unless action is taken before the end of the coming biennium, this budget will no longer have funding. The Governor will need to recommend General Fund support in the future or find other funding sources to continue this program.

MS. SCHERER:

We are seeking alternative funding sources for this program.

CATHERINE BARCOMB (Administrator, Commission for the Preservation of Wild Horses, Department of Conservation and Natural Resources):

There are no federal funds for wild horses. If we find other funding options, we will provide that information to the Governor and Legislature.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 607-4156 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYMAN GRADY.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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MR. FERGUSON:

We will now discuss the Environmental Protection Administration budget account.

DCNR - Environmental Protection Administration – Budget Page DCNR-67
(Volume III)
Budget Account 101-3173

Decision modules E-901, E-902 and E-903 relate to position transfers to this account.

E-901 Transfer Deputy From 3187 – Page DCNR-75

E-902 Transfer To Budget Acct 3173 (DEP ADMIN) – Page DCNR-75

E-903 Transfer ISS2 From 3187 – Page DCNR-76

The Governor recommends transferring two deputy administrator positions and one information systems specialist position from other accounts into this administration budget. Specifics of these changes are listed on page 10 of [Exhibit C](#). This will change the funding of these positions. The Administration budget is funded with cost-allocation transfers from the other agency budgets based on the number of full-time equivalents (FTE). Budgets in which these positions are currently housed are funded with combinations of federal funds and fees. There would be no change in the net funding of these budgets. These position transfers appear reasonable to staff.

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE POSITION TRANSFERS IN BUDGET ACCOUNT 101-3173 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY SENATOR RHOADS.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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MR. FERGUSON:

The next closing issue in B/A 101-3173 is the new administrative position in decision module E-350. This is described on page 10 of [Exhibit C](#). Staff has reviewed this issue and finds it to be reasonable. However, this decision module also contains a recommendation for \$50,000 in each year of the coming biennium for contracting temporary services. Staff recommends the \$50,000 be

eliminated from the budget request. If additional contract services are required during the 2007-2009 biennium, the Subcommittee could direct the agency to seek a work program to augment this budget,

ASSEMBLYMAN HOGAN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE NEW ADMINISTRATIVE POSITION ISSUE IN BUDGET ACCOUNT 101-3173; TO ELIMINATE THE \$50,000 FOR CONTRACT SERVICES; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN KOIVISTO.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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MR. FERGUSON:

There is also an issue in this budget account regarding the indirect cost (IDC) rate reduction and high reserve level. As a result of technical corrections made by staff concerning the IDC transfers, the reserve level in this account has been reduced. This is described in detail on page 10 of [Exhibit C](#). The account's reserve level has been declining over the past few fiscal years in response to the DCNR's reductions in the IDC rate. Therefore, these corrected reserve levels appear to be reasonable. This issue is an informational point only, and no action is required by the Subcommittee.

The next issue for discussion in B/A 101-3173 is the additional travel and training costs in E-352.

E-352 Environmental Policies and Programs – Page DCNR-70

The Governor recommends reserve reductions of \$55,096 over the biennium to fund increased out-of-state travel for training. The destinations of these proposed trips are described in detail on page 11 of [Exhibit C](#). However, they have not provided specific information about the purpose of these trips. Consequently, the Subcommittee may wish to consider reducing the recommended travel and training costs by one-half, or one-third, and direct the DCNR to approach the Interim Finance Committee (IFC) if additional travel and training expenses are warranted. This budget request is funded by reserve reductions so there is no General Fund appropriation involved.

ASSEMBLYMAN HOGAN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE ADDITIONAL TRAVEL AND TRAINING COSTS ISSUE IN BUDGET ACCOUNT 101-3173; TO REDUCE THE TRAVEL AND TRAINING REQUEST BY ONE-THIRD; TO GIVE AUTHORITY FOR THE DCNR TO COME BEFORE THE IFC FOR FUNDS IF ADDITIONAL TRAVEL AND TRAINING IS WARRANTED; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN KOIVISTO.
ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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MR. FERGUSON:

With regard to other closing items in this budget, a personnel technician II position was reclassified to a personnel technician III position in December 2006. This was funded with reserve reductions and is included on page 11 of [Exhibit C](#). Staff has reviewed all the other closing items and they appear reasonable.

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE ALL OTHER CLOSING ITEMS IN BUDGET ACCOUNT 101-3173 AS RECOMMENDED BY THE GOVERNOR; TO APPROVE THE RECLASSIFICATION OF PERSONNEL TECHNICIAN II POSITION TO A PERSONNEL TECHNICIAN III POSITION; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYMAN GRADY.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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MR. FERGUSON:

We will now discuss the Air Quality budget account.

DCNR - DEP Air Quality – Budget Page DCNR-79 (Volume III)
Budget Account 101-3185

The first issue in this account is the decreasing reserve level. The *Executive Budget* recommends a reserve level of only \$53,287 at the end of FY 2008-2009. Historically, this budget has had a difficult time maintaining an adequate reserve level. The largest contributor to this account has been a single electrical-power generating plant called the Mojave Generation Station in Laughlin, Nevada. The plant is now closed and revenues from that source will not be available in the future. To resolve this problem, the Division of Environmental Protection (DEP) revised its air-quality fee schedule. This has increased annual revenue in this budget by about \$170,000. Consequently, it now appears the reserve will now be adequate. This issue is informational only and not one the Subcommittee needs to act upon.

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SENATOR BEERS:

If the Mohave Generation Station is closed, why does the DEP need to maintain its current level of staff?

MR. FERGUSON:

There are numerous new "clean air" regulations that must be overseen by the DEP staff.

SENATOR TITUS:

The U.S. Supreme Court recently ruled that the Environmental Protection Agency (EPA) has the authority to enforce "clean air" regulations. I am providing Subcommittee members with copies of a newspaper article about this decision ([Exhibit D](#)).

LEO DROZDOFF, P.E. (Administrator, Division of Environmental Protection, Department of Conservation and Natural Resources):

Traditionally, the DEP has sought to have an equitable fee structure and create incentives for reducing pollution. The Mojave Generation Station was a large producer of air pollution and the fees it paid dwarfed smaller power plants producing less pollution. Now that the Mojave Generation Station is closed, the distribution of fees among other power plants is more equitable. Because the Mojave plant is no longer emitting large amounts of pollutants, we have a fairer distribution of the fees, yet the workload has decreased. There are so many new "clean air" requirements at the state and federal level, our existing staff will remain busy.

Regarding Senator Titus's remarks about the recent U.S. Supreme Court decision, I think it will have a real impact at both the federal and state level.

MR. FERGUSON:

We will now discuss item 2 on page 14 of [Exhibit C](#). In decision module M-590, there is a request for four new engineer positions and associated costs.

E-590 Clean Air Act – Page DCNR-81

These positions were funded by a fee structure established by the Legislative Commission in December 2006. The positions are needed to oversee the Clean Air Mercury Rule, which regulates mercury emissions from coal-fired electric generating plants, as well as issues resulting from new EPA requirements. This recommendation would create a new branch within the bureau and it appears reasonable to staff.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE FOUR NEW ENGINEER POSITIONS IN BUDGET ACCOUNT 101-3185 AS RECOMMENDED BY THE GOVERNOR, AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYMAN HOGAN.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

We will now discuss additional funding for programs in decision module E-352.

E-352 Environmental Policies and Programs – Page DCNR-83

The Governor recommends \$415,000 in FY 2007-2008 and \$385,000 in FY 2008-2009 for additional contract services, including mercury sampling and lab analysis of stack-gas emission sampling, ambient-air sampling and lab analysis for determining potential pollutant concentrations throughout the State. Funding for this decision module is from transfers from the Air Quality Management account and the Chemical Hazard Prevention account. Staff has reviewed this and it appears to be reasonable.

In decision module E-351, the Governor recommends Air Quality and Chemical Hazard fees of \$74,836 in FY 2007-2008 and \$65,128 in FY 2008-2009.

E-351 Environmental Policies and Programs – Page DCNR-83

This is intended to provide additional travel and training for bureau chiefs and staff to keep current on the many regulations and technology changes associated with recent EPA air-quality concerns. This recommendation appears reasonable to staff.

In decision module E-350, the Governor recommends \$19,980 in each year of the coming biennium for upgrading and repairing existing ambient-air monitoring equipment and associated freight costs. Funding for this recommendation is from additional transfers from the Air Quality Management Fund. The recommendation appears reasonable to staff.

E-350 Environmental Policies and Programs – Page DCNR-82

ASSEMBLYMAN HOGAN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE ALL ADDITIONAL CLOSING ITEMS IN BUDGET ACCOUNT 101-3185; INCLUDE ADDITIONAL CONTRACT SERVICES, ADDITIONAL TRAVEL AND TRAINING FUNDS FOR BUREAU CHIEFS AND STAFF; UPGRADE AND REPAIR OF EXISTING AMBIENT AIR MONITORING EQUIPMENT AND ASSOCIATED COSTS AS RECOMMENDED BY THE GOVERNOR; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN WEBER.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

Decision module E-710 is for replacement equipment in accordance with replacement schedules. This recommendation appears reasonable to staff.

E-710 Replacement Equipment– Page DCNR-83

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE ITEMS FOR REPLACEMENT EQUIPMENT IN BUDGET ACCOUNT 101-3185 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYMAN GRADY.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

We will now discuss the Water Pollution Control budget.

DCNR - DEP Water Pollution Control – Budget Page DCNR-87 (Volume III)
Budget Account 101-3186

The Governor recommends transferring the administrative functions associated with the State Revolving Loan Fund program for waste water and drinking water from the Bureau of Water Pollution Control to a new budget account entitled the State Revolving Fund.

DCNR - DEP - State Revolving Fund - Admin – Budget Page DCNR-139
(Volume III)
Budget Account 746-3189

This would transfer revenues and expenditures of about \$1.8 million in each year of the coming biennium to B/A 746-3189. The recommendation includes five positions and is being implemented as the result of a federal audit recommendation. The Office of the State Controller concurs with this plan. This recommendation appears reasonable to staff.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE ISSUE IN BUDGET ACCOUNT 101-3186; TO TRANSFER THE ADMINISTRATIVE FUNCTIONS ASSOCIATED WITH THE STATE REVOLVING LOAN FUND PROGRAM FOR WASTE WATER AND DRINKING WATER FROM THAT BUDGET ACCOUNT TO BUDGET ACCOUNT 746-3189 AS RECOMMENDED BY THE GOVERNOR; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN McCLAIN.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

The Governor also recommends transferring the deputy administrator position and attendant costs, totaling \$142,798 in FY 2007-2008 and \$148,920 in FY 2008-2009, from the Bureau of Water Pollution Control to the DEP administration budget. This recommendation appears reasonable to staff.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THIS ISSUE IN BUDGET ACCOUNT 101-3186; TO TRANSFER THE DEPUTY ADMINISTRATOR POSITION AND ALL ATTENDANT COSTS FROM THE BUREAU OF WATER POLLUTION TO THE DEP ADMINISTRATION BUDGET AS RECOMMENDED BY THE GOVERNOR; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN WEBER.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

The Subcommittee should note that page 17 of [Exhibit C](#) reflects the addition of decision module E-350 in budget account 101-4149. This module transfers \$33,946 in each year of the coming biennium to the State Environmental Commission budget to increase the number of hearings to be held by the Commission. Funding for this will come from reserve reductions. The State Environmental Commission budget contains the corresponding decision module.

DCNR - State Environmental Commission – Budget Page DCNR-144 (Volume III)
Budget Account 101-4149

E-350 Environmental Policies and Programs – Page DCNR-146

The remainder of the closing items in this budget account have been reviewed by staff and appear to be reasonable.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE ALL REMAINING BUDGET ITEMS IN BUDGET ACCOUNT 101-3186; TO TRANSFER \$33,946 IN EACH YEAR OF THE COMING BIENNIUM TO THE STATE ENVIRONMENTAL COMMISSION BUDGET TO INCREASE THE NUMBER OF HEARINGS TO BE HELD BY THE COMMISSION AS RECOMMENDED BY THE GOVERNOR; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN McCLAIN.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

We will now discuss the budget account for Water Quality Planning.

DCNR - Dep Water Quality Planning – Budget Page DCNR-99 (Volume III)
Budget Account 101-3193

The Governor recommends utilizing federal grant funds of \$14,284 in FY 2007-2008 and \$15,527 in FY 2008-2009 to reclassify a public service intern II position to an environmental scientist III position. The position has been vacant since July 2005. This recommendation appears reasonable to staff.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO RECLASSIFY A PUBLIC SERVICE INTERN II POSITION TO AN ENVIRONMENTAL SCIENTIST III POSITION IN BUDGET ACCOUNT 101-3193 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN McCLAIN.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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On page 20 of [Exhibit C](#) is a list of other closing items. Staff has reviewed all those items and considers them to be reasonable.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE ALL OTHER CLOSING ITEMS IN BUDGET ACCOUNT 101-3193 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN McCLAIN.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

We will now discuss the budget account for the Safe Drinking Water Regulatory Program.

DCNR - DEP Safe Drinking Water Regulatory Program – Budget Page DCNR-107
(Volume III)

Budget Account 101-3197

The *Executive Budget* originally recommended a new information technology professional III position in decision module E-356.

E-356 Environmental Policies and Programs – Page DCNR-110

However, during a prior budget hearing, the agency testified the addition of this new position was not supported by the DoIT; therefore, should be removed from the agency's budget. The agency's Base Budget does not contain expenditures for the two contractors currently managing the Safe Drinking Water information database for either year of the coming biennium. If decision module E-356 is not approved, base costs for these contacts should be added back into the agency's budget to allow these services to continue. Closing issues now reflect the elimination of decision module E-356 and the addition of contract authority in the amount of \$85,740 in each year of the 2007-2009 biennium. The net effect of these actions would be a \$32,676 reduction in expenditures and revenue over the biennium.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THIS ISSUE IN BUDGET ACCOUNT 101-3197; TO INCLUDE THE REPLACEMENT OF THE INFORMATION TECHNOLOGY PROFESSIONAL III POSITION WITH FUNDING AUTHORITY OF \$85,740 IN EACH YEAR OF THE COMING BIENNIUM FOR CONTRACT SERVICES RELATED TO THE SAFE DRINKING WATER INFORMATION DATABASE; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYMAN HOGAN.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

The *Executive Budget* recommends a reserve level in B/A 101-3197 of \$277,591 at the end of FY 2007-2008 and \$51,496 at the end of FY 2008-2009. Both of these amounts are lower than the work program year balance of \$296,656. However, with the elimination of decision module E-356, and some adjustments to indirect costs made by staff, the ending reserve increases to \$109,787 at the end of FY 2008-2008. The agency has indicated to staff that these revised reserve levels should be adequate for this budget. This closing issue is informational only and does not require any action by the Subcommittee.

Staff has reviewed the other closing items in this budget listed on page 22 of [Exhibit C](#) and does not have any concerns.

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE ALL OTHER CLOSING ITEMS IN BUDGET ACCOUNT 101-3197 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY SENATOR RHOADS.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

We will now discuss the budget account for Waste Management and Federal Facilities.

DCNR - DEP - Waste Management and Federal Facilities – Budget Page
DCNR-114 (Volume III)
Budget Account 101-3187

In decision modules E-901 and E-903, the Governor recommends the transfer of two positions to the DEP administrative budget account B/A 3173. Staff has reviewed this item and considers it reasonable. This is purely informational since this Subcommittee has already acted upon this recommendation.

E-901 Transfer Deputy to 3173 – Page DCNR-123

E-903 Transfer ISS2 to 3173 – Page DCNR-123

In decision module M-596, the Governor recommends \$711,183 over the biennium for contract costs and travel and training for employees of the Bureau of Corrective Actions and the Bureau of Waste Management.

E-596 Resource Conservation & Recovery Act – Page DCNR-118

This is needed to comply with the federal Resource Conservation and Recovery Act and hazardous-waste requirements. Funding for this will come from dumping fees, hazardous waste fees and a federal grant. This recommendation appears reasonable to staff.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THIS ITEM IN BUDGET ACCOUNT 101-3187 WITH AN APPROPRIATION OF \$711,183 OVER THE BIENNIUM FOR CONTRACT COSTS, TRAVEL AND TRAINING FOR THE BUREAU OF CORRECTIVE ACTION AND THE BUREAU OF WASTE MANAGEMENT AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYMAN GRADY.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

In decision module E-350, the Governor recommends a combination of fees and federal grants totaling \$451,027 over the coming biennium for additional contract services, as well as travel and training, for the Bureau of Corrective Actions.

E-350 Environmental Policies and Programs – Page DCNR-119

This recommendation includes \$200,000 in each year of the biennium for a technical support contract. The Subcommittee has already chosen to remove the \$200,000 for the annual technical support contract. This budget and the DEP is authorized to come before the IFC if such a contract is later deemed necessary.

In decision module E-351, the Governor recommends fees and federal grants of \$69,356 over the coming biennium for additional training and travel for the Bureau of Federal Facilities.

E-351 Environmental Policies and Programs – Page DCNR-120

This is needed to implement a new inspection program of low-level radioactive waste sites which ship material to the Nevada Test Site. Staff has reviewed this recommendation and it appears to be reasonable.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THIS ITEM IN BUDGET ACCOUNT 101-3187 WITH FEES AND FEDERAL GRANTS OF \$69,356 OVER THE COMING BIENNIUM FOR ADDITIONAL TRAINING AND TRAVEL FOR THE BUREAU OF FEDERAL FACILITIES AS RECOMMENDED BY THE GOVERNOR; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN McCLAIN.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

In decision module E-805, the Governor recommends additional Department of Energy (DOE) funds in the amount of \$32,635 over the coming

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biennium to reclassify an administrative assistant III position to a management analyst I in the agency's Las Vegas office.

E-805 Classified Position Reclassifications – Page DCNR-122

This is needed due to additional responsibilities assumed by the position as a result of population growth in the Las Vegas area. The incumbent meets the minimum qualifications of a management analyst I position. This recommendation appears to be reasonable to staff.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THIS ITEM IN BUDGET ACCOUNT 101-3187 WITH RECLASSIFICATION OF AN ADMINISTRATIVE ASSISTANT III POSITION TO A MANAGEMENT ANALYST I IN THE DEP'S LAS VEGAS OFFICE AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN KOIVISTO.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

Staff has reviewed other closing items as listed on pages 25 and 26 of [Exhibit C](#). All recommendations appear to be reasonable.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE ADDITIONAL CLOSING ITEMS IN BUDGET ACCOUNT 101-3187 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYMAN GRADY.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

We will now discuss the Mining Regulation and Reclamation budget account.

DCNR - DEP Mining Regulation/Reclamation – Budget Page DCNR-127

(Volume III)

Budget Account 101-3188

In decision module E-351, the *Executive Budget* recommends \$80,887 in FY 2008-2009 to fund one new professional engineer position which must be filled by FY 2009.

E-351 Environmental Policies and Programs – Page DCNR-130

This position is needed to replace the current contract for a cost estimator liaison with the Bureau of Land Management (BLM). That contract expires at the end of FY 2007-2008. This position will be in addition to continuing contract expenditures of \$123,290 in FY 2008-2009. The DCNR indicates that \$50,000 of the recommended BLM contract expenditures in FY 2008-2009 are associated with the cost estimator contract. However, the BLM may not renew the cost estimator liaison contract.

Staff recommends the Subcommittee approve either the new professional engineer position for FY 2008-2009, or funding for the BLM cost estimator liaison contract, but not both. Accordingly, staff offers two options:

- Option A would approve the new professional engineer position which would begin in FY 2008-2009 and eliminate \$50,000 in FY 2008-2009 from the DCNR contract expenditures to BLM, or
- Option B would remove the new professional engineer position from the DCNR's budget and direct the DCNR to approach the IFC during the 2007-2009 interim to request the new position if the contract with the BLM for the cost estimator liaison services will not be renewed. This option would remove mining-claim fee revenues and expenditures of \$80,887 from the DCNR budget in FY 2008-2009.

MR. DROZDOFF:

This work consists of reviewing reclamation bonds and reclamation cost estimates which we do as a joint process with the BLM. The problem occurs because our budget cycle is out of sequence with that of the BLM. Consequently, they cannot commit funds at this time. We are asking for the professional engineer position because the BLM has been unable to ensure the cost estimator liaison program will continue. I would prefer the Subcommittee choose Option A.

SENATOR BEERS:

Historically, we have gone with Option B in such situations. Does this represent a change in our policy?

MR. DROZDOFF:

We have had this joint arrangement with the BLM for the last four years; we yet do not know whether the BLM will commit funds to continue having their employee in our office half of the time. We still have four scientists in our reclamation project who approve bonding cost estimates and reclamation bonds and issue reclamation permits. It is not a change in our historical practice because I am hoping this joint project will continue.

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SENATOR BEERS:

Are you asking for a full-time position in lieu of the half-time position you now have?

MR. DROZDOFF:

Yes. We are requesting a full-time position. Half of it will be funded by the State and half funded by the BLM.

SENATOR BEERS:

You are asking for a full-time position funded fully by the State. Who will this person work for? Has there been an increase in the workload?

MR. DROZDOFF:

The half-time employee works for the BLM and the State pays half the cost. We are now requesting a full-time position in the Bureau of Mining Regulation and Reclamation (BMRR) which is paid entirely by the State. There has been a significant increase in the workload due to the increase in the price of gold and silver.

MR. PERI:

In decision module E-351, the Governor recommends \$80,887 in FY 2008-2009 for this position which would be funded entirely through mining claim fees. It is fee driven in anticipation of the increased workload.

E-351 Environmental Policies and Programs – Page DCNR-130

ASSEMBLYMAN GRADY:

I support Option B because if we fully fund this position, it will give the BLM a reason not to continue funding what has historically been their share. We should let the federal government make their budget decision, and if they decide not to fund the position, have the BMRR come to the IFC for funding authority.

SENATOR RHOADS:

I disagree. The administrator of the bureau knows what is best for his agency. There is more mining activity in my district than I have seen before. Consequently, I would recommend Option A.

MR. FERGUSON:

Option B would allow us to maintain the current services until we learn what the BLM intends to do.

ASSEMBLYWOMAN McCLAIN MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THIS ITEM IN BUDGET ACCOUNT 101-3188 BY REMOVING THE NEW PROFESSIONAL ENGINEER POSITION FROM THE BMRR BUDGET AND DIRECT THE AGENCY TO APPROACH THE IFC DURING THE 2007-2009 INTERIM TO REREQUEST THE NEW POSITION IF THE CONTRACT WITH BLM FOR THE COST ESTIMATOR LIAISON SERVICES IS NOT RENEWED AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN KOIVISTO.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION FAILED. (SENATOR RHOADS VOTED NO AND
SENATOR TITUS WAS ABSENT FOR THE VOTE.)

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SENATOR RHOADS:

I have decided to change my vote to Option B.

SENATOR RHOADS MOVED IN A SENATE-ONLY VOTE TO RECOMMEND
TO THE FULL COMMITTEE TO CLOSE THIS ITEM IN BUDGET ACCOUNT
101-3188 BY REMOVING THE NEW PROFESSIONAL ENGINEER
POSITION FROM THE BMRR BUDGET AND DIRECT THE AGENCY TO
APPROACH THE IFC DURING THE 2007-2009 INTERIM TO REREQUEST
THE NEW POSITION IF THE CONTRACT WITH BLM FOR THE COST
ESTIMATOR LIAISON SERVICES IS NOT RENEWED AND TO AUTHORIZE
STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED

THE MOTION WAS SECONDED BY SENATOR BEERS.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

In decision module E-805, the Governor recommends reserve reductions of
\$50,373 over the biennium for additional salary and indirect cost assessment
charges associated with the reclassification of seven positions.

E-805 Classified Positions Reclassification – Page DCNR-132

Four existing environmental scientist II positions are recommended for
reclassification to environmental scientist III positions. One administrative
assistant I position is recommended for reclassification as administrative
assistant II. Two administrative assistant II positions are recommended for
reclassification as administrative assistant III.

This recommendation would allow entry-level environmental scientist II positions
to advance to environmental scientist III without having to wait for a position to
open. This would eliminate the entry-level environmental scientist II series and
increase the number of environmental scientist III positions from five to nine
FTEs. If the Subcommittee wishes to approve this recommendation, staff
suggests they request the agency obtain approval from the Department of
Personnel prior to implementing reclassifications. This will ensure the job duties
associated with the environmental scientist II positions qualify for environmental
scientist III responsibilities. The administrative assistant positions being
considered under this recommendation have already been approved and
reclassified by the DOP.

CHAIR PARKS:

With regard to the change in the environmental scientist II positions, does this remove a rung in the career ladder?

MR. FERGUSON:

No, it does not.

ASSEMBLYMAN HOGAN:

I am concerned this plan to upgrade the environmental scientist II positions to the environmental scientist III positions is a form of "grade creep." Eventually, the entry-level position will be an environmental scientist III. Having the environmental scientist II as an entry-level position has worked well in the past.

CHAIR PARKS:

Is there much turnover in these jobs?

MR. DROZDOFF:

There is not much turnover. The basic concern is one of equity. There is really no difference between the work done by an environmental scientist II and an environmental scientist III. We are seeking approval now to avoid having to come to the IFC later.

MR. FERGUSON:

Another option would be not to approve decision module E-805 and then direct the DCNR to work on these issues directly with the DOP and, if need be, come before the IFC for funding authority.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE DECISION MODULE E-805 IN BUDGET ACCOUNT 101-3188; TO NOT APPROVE THE RECLASSIFICATION OF THE ENVIRONMENTAL SCIENTIST II POSITION TO ENVIRONMENTAL SCIENTIST III; TO DIRECT THE AGENCY TO APPROACH THESE ISSUES INDIVIDUALLY THROUGH THE DOP AND, IF NEED BE, THE IFC; APPROVE THE ADMINISTRATIVE ASSISTANT RECLASSIFICATIONS AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY SENATOR BEERS.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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In decision module E-350, the Governor recommends reserve reductions of \$188,390 over the coming biennium to provide additional travel, training and operating costs for the bureau. This recommendation supports increased demand for agency services due to increased metal prices and allows the agency to maintain resources necessary to perform required functions. This recommendation appears reasonable.

E-350 Environmental Policies and Programs – Page DCNR-130

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE DECISION MODULE E-350 IN BUDGET ACCOUNT 101-3188 WITH RESERVE REDUCTIONS OF \$188,390 OVER THE COMING BIENNIUM TO PROVIDE ADDITIONAL TRAVEL, TRAINING AND OPERATING COSTS FOR THE BUREAU AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN McCLAIN.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Page 29 of [Exhibit C](#) contains a list of other closing items. Staff has reviewed these and found them to be reasonable.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE ALL OTHER CLOSING ITEMS IN BUDGET ACCOUNT 101-3188 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN KOIVISTO.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

We will now discuss the budget for Water Planning Capital Improvement.

DCNR - DEP Water Planning Cap Improvement – Budget Page DCNR-134
(Volume III)

Budget Account 101-4155

There are no major closing issues in this budget account. However, the Subcommittee should note the closing sheets reflect technical adjustments made by staff to correct cost-allocation issues. These corrections increased the reserve balance in this account from \$48,271, as recommended in the *Executive Budget*, to \$51,546 at the end of the 2007-2009 biennium. The other closing items, listed on page 31 of [Exhibit C](#), have been reviewed by staff and appear to be reasonable.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE ALL OTHER CLOSING ITEMS IN ACCOUNT

101-4155 AS RECOMMENDED BY THE GOVERNOR AND TO
AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYMAN GRADY.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

We will now move to the State Revolving Loan program budget which we briefly discussed earlier in this meeting.

DCNR – DEP – State Revolving Fund – Admin – Budget Page DCNR-139
(Volume III)
Budget Account 746-3189

The Governor recommends this new budget to account for administrative expenses associated with the State Revolving Loan (SRF) programs as suggested by federal auditors.

E-908 Transfer SRF Base – Page DCNR-141

Decision module E-908 transfers approximately \$1.8 million associated with the SRF in each year of the coming biennium. This also includes the transfer of five full-time positions from the Bureau of Water Pollution Control.

The Governor also recommends ending reserves in the budget for the SRF of \$20,913 in FY 2007-2008 and \$29,545 for FY 2008-2009. The agency advised staff that this new reserve level is adequate for the budget. This budget is funded from transfers from the SRF. If they were to run low on revenue, they could request a work program to transfer in more funding from the SRF. As such, staff does not have any concerns with a lower reserve level in this account.

The other closing items in this budget account are listed on page 33 of [Exhibit C](#). Staff has reviewed them and they appear to be reasonable.

SENATOR RHOADS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 746-3189; TO INCLUDE TRANSFERS OF APPROXIMATELY \$1.8 MILLION ASSOCIATED WITH THE SRF IN EACH YEAR OF THE COMING BIENNIUM; TO TRANSFER FIVE FULL-TIME POSITIONS FROM THE BUREAU OF WATER POLLUTION CONTROL; AN ENDING RESERVE IN THE BUDGET FOR THE SRF OF \$20,913 IN FY 2007-2008 AND \$29,545 FOR FY 2008-2009 AS RECOMMENDED BY THE GOVERNOR; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYMAN GRADY.

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ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

We will now discuss the budget account for the State Environmental Commission.

DCNR - State Environmental Commission – Budget Page DCNR-144 (Volume III)
Budget Account 101-4149

This account is used to support the 11-member State Environmental Commission. There are no major closing issues in this budget. However, the Subcommittee should note on page 35 of [Exhibit C](#) is a description of decision module E-350 which is established to receive the transfer of \$33,946 in each year of the biennium from B/A 101-3186.

E-350 Environmental Policies and Programs – Page DCNR-146

This is to be used to increase the number of hearings held by the Commission as a result of new regulatory requirements implemented by the EPA.

ASSEMBLYWOMAN MCCLAIN:

Who comprises this Commission? Are they paid? How often do they meet?

MR. DROZDOFF:

Six of the members come from various State agencies. The other five members are appointed by the Governor. They are paid in the same way as other board or commission members. The reason we are requesting an increase in funds is because the number of appeal hearings will be increasing.

SENATOR BEERS:

The performance indicators for this budget account indicate only three appeal hearing decisions were rendered in FY 2005-2006. How often does the Commission meet?

MR. DROZDOFF:

They met only twice in the base year.

SENATOR BEERS:

The work program you are submitting in this budget for FY 2006-2007 is less than the actual base year.

DAVID EMME (Chief, Administrative Services, Division of Environmental Protection, Department of Conservation and Natural Resources):

We propose to double the number of the Commission's hearings. In the base year, they only held two hearings, neither of which were appeal hearings. That was due to a change in the law that eliminated the ability for some groups to appeal. There may be changes to that law and we are anticipating more appeals

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as a result. We also anticipate the Commission will have to hold more regulatory hearings than before.

SENATOR BEERS:

Did the previous budget anticipate the Commission meeting more than twice a year? Where does the revenue for this budget derive?

MR. EMME:

The Commission is not mandated by law to meet with any particular frequency. They meet as the workload demands. Revenue for the Commission will be derived from the transfer of \$33,946 in each year of the coming biennium from the DEP Environmental Water Pollution Control budget account 101-3186. Historically, we have not had the revenue to support the costs of the Environmental Commission. This transfer is intended to correct that and provide a more equitable allocation of the costs.

SENATOR BEERS:

This would make the Water Pollution Control budget your largest source of funds.

MR. EMME:

Both the Bureau of Water Quality Planning and the Bureau of Water Pollution Control represent significant portions of the Commission's work.

SENATOR BEERS:

What changes have occurred that may double the Commission's workload?

MR. EMME:

The decision to hold more hearings is the result of a management direction to the Commission. Also, we anticipate having more appeal hearings if Assembly Bill (A.B.) 217 passes because it will allow more groups to petition the Commission.

Assembly Bill 217: Revises the membership of the State Environmental Commission. (BDR 40-1196)

ASSEMBLYWOMAN MCCLAIN:

How many members of the Environmental Commission are from southern Nevada? Who do they represent?

MR. DROZDOFF:

Of the five members appointed by the Governor, three are from southern Nevada. I am not sure who they represent.

SENATOR TITUS:

Are only three of the Governor's five appointees to this 11-member Commission from southern Nevada?

MR. DROZDOFF:

Yes.

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SENATOR RHOADS:

We must remember that six of these members are not appointees but work for the State of Nevada. They would likely have their offices around the capitol in the northern part of the State.

ASSEMBLYWOMAN McCLAIN:

What are the qualifications of the five appointees? Are all 11 members of the Commission allowed to vote?

MR. DROZDOFF:

In addition to the five members appointed by the Governor, the Commission consists of the Director of the State Department of Wildlife, the State Forester, the State Engineer, the Director of the State Department of Agriculture, the Administrator of the Division of Minerals and a member of the State Health Board.

SENATOR BEERS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-4149; NOT APPROVE DECISION MODULE E-350; TO ATTACH A FISCAL NOTE TO A.B. 217 TO REVISIT THIS ISSUE IF THAT BILL IS PROCESSED; TO REQUEST AN UPDATE TO THE PERFORMANCE INDICATORS FOR THIS BUDGET ACCOUNT; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN McCLAIN.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. FERGUSON:

We would need to make an adjustment in B/A 101-3186 to remove decision module E-350. Staff will make any changes that result from the passage of A.B. 217 and provide that information to the Subcommittee.

SENATOR BEERS MOVED TO RECOMMEND TO THE FULL COMMITTEE TO REMOVE DECISION MODULE E-350 IN BUDGET ACCOUNT 101-3186; TO REVISIT THIS ISSUE IF A.B. 217 IS PROCESSED; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

THE MOTION WAS SECONDED BY ASSEMBLYWOMAN KOIVISTO.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Joint Subcommittee on Public Safety/Natural Resources/Transportation
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CHAIR PARKS:
Seeing there is no further business before this Subcommittee, this meeting is
adjourned at 10:18 a.m.

RESPECTFULLY SUBMITTED:

Michael Archer,
Committee Secretary

APPROVED BY:

Assemblyman David R. Parks, Chair

DATE:_____

Senator Dean A. Rhoads, Chair

DATE:_____