

**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-fifth Session
February 13, 2009**

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 Friday, February 13, 2009. Chair Joyce Woodhouse presided in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator Bob Coffin
Senator Dean A. Rhoads

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Ms. Kathy McClain, Chair
Mr. Joseph M. Hogan, Vice Chair
Mr. Marcus Conklin
Mr. Pete Goicoechea
Mrs. Ellen Koivisto
Ms. Sheila Leslie

STAFF MEMBERS PRESENT:

Jeff Ferguson, Program Analyst
Brian Burke, Principal Deputy Fiscal Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Cynthia Clampitt, Committee Secretary

OTHERS PRESENT:

Allen Biaggi, Director, State Department of Conservation and Natural Resources
Kay M. Scherer, Deputy Director, State Department of Conservation and Natural Resources
Catherine Barcomb, Administrator, Commission for the Preservation of Wild Horses, State Department of Conservation and Natural Resources
Pete Anderson, State Forester Firewarden, Division of Forestry, State Department of Conservation and Natural Resources
Scott Sisco, Deputy State Forester, Administrative Service Officer, Division of Forestry, State Department of Conservation and Natural Resources
Kyle Davis, Policy Director, Nevada Conservation League
Joni Eastley, Chair, Nye County Board of County Commissioners
Dan Sweeney, Fire Chief, Town Manager, Round Mountain, Nevada, Manger Round Mountain Public Utilities
Robert S. Hadfield, Walker and Associates

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Steve Barr, American Federation of State, County and Municipal Employees
Local 4041
Denise Nelson, Chair, Tonopah Chamber of Commerce, Treasurer, Tonopah
Development Corporation
James Eason, Tonopah Town Manager
Jeff Fontaine, Nevada Association of Counties
Douglas Baker, District Road Supervisor, Nye County
Horace Carlisle, Member, Tonopah Town Board
Jason King, P.E., Acting State Engineer, Division of Water Resources, State
Department of Conservation and Natural Resources
James Lawrence, Acting Administrator, Division of Conservation Districts, State
Department of Conservation and Natural Resources
Jennifer Newmark, Administrator, Nevada Natural Heritage Program, State
Department of Conservation and Natural Resources

CHAIR WOODHOUSE:

We will open the hearing on the budgets of the State Department of
Conservation and Natural Resource (DCNR).

INFRASTRUCTURE

CONSERVATION AND NATURAL RESOURCES

ALLEN BIAGGI (Director, State Department of Conservation and Natural
Resources):

I have provided the Committee with a handout of our presentation ([Exhibit C](#)).

The DCNR consists of eight divisions:

- Conservation Districts,
- Environmental Protection,
- Forestry,
- Nevada Natural Heritage Commission,
- State Lands,
- State Parks,
- Water Resources and
- The Commission for the Preservation of Wild Horses.

Today, you will be hearing from the Director's office, the Wild Horse
Commission, the Division of Forestry (NDF), the Division of Water Resources,
Conservation Districts and the Natural Heritage Foundation.

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

The mission of the Director's office is to provide administrative, technical,
budgetary and supervisory support for all divisions. We also staff the
Natural Resources Advisory Board.

We provide leadership direction to the divisions and numerous boards and
commissions. We ensure close coordination among the divisions, promote
cross-agency teamwork and provide functional guidance on personnel.

The Subcommittee is aware this was a difficult budget preparation cycle. I am proud of the division administrators and especially Ms. Kay M. Scherer, deputy director, for bringing us together to work collaboratively on the budget. There was give and take to develop a budget which best serves the citizens of the State, the regulated community and our employees.

The Director's office also assists divisions in providing the best possible service to the public with an emphasis on public information and outreach efforts. The DCNR has a new public information officer. We have established new websites and are reaching out to address natural resource issues within the State of Nevada.

We work to preserve the primacy and authority in all matters pertaining to natural resources in Nevada. There has been a long-standing policy within the DCNR that Nevadans should regulate Nevada business and industry. For example, we do not believe the Division of Environmental Protection in Nevada should be regulated by the Environmental Protection Agency in San Francisco or Washington, D.C. We know our industry and feel we do an excellent job of regulating our communities.

The Director's office helps resolve competing interest claims arising from the highly technical and contentious arena of natural resource management issues.

There are many overlapping jurisdictions within our Department, within State government and external to our Department with the federal government. There is often a significant need to address competing needs and find solutions that best serve the natural resources of Nevada.

It is the responsibility of the office to provide timely fiscal service to four entities within the DCNR. Those include the Division of Conservation Districts, the Division of State Lands, the Nevada Natural Heritage Program and the Commission for the Preservation of Wild Horses. We provide certain fiscal services to all agencies within the Department. The intent is to provide sound, current policies and fiscal services and continual evaluation of efficiencies.

There are two performance indicators within the Director's office. The first relates to arbitrage charges from the bond program otherwise known as Q1. It is our goal to have no arbitrage charges, to operate and manage our bonds properly and to never incur those fees. We have been successful up to this point within the program.

The second performance indicator relates to negative audit findings. It is our goal to never have negative audit findings. We know auditors typically report negative findings. It is the goal of the DCNR to have constant performance and improvement with no negative findings.

The staffing of the Director's office in fiscal year (FY) 2008-2009 is 13 full-time equivalent (FTE) positions. The staff will be modified to 11 FTEs in the next biennium.

The office is located within the Richard H. Bryan Building in Carson City with statewide responsibilities. The Governor's recommended budget for the DCNR in FY 2009-2010 and FY 2010-2011 is approximately \$1.1 million.

Page 6 of [Exhibit C](#) reflects the total revenues of the office. The General Fund comprises 76 percent of our revenues. Question 1 bond proceeds comprise 11 percent of the revenues. We have not drawn funding from the principal of the bonds. The office is operating from the bond interest which is allowed under the law.

Page 7 of [Exhibit C](#) represents the reductions proposed in the Director's office. The majority of reductions are comprised of personnel costs and a small amount in operating budgets. Ms. Scherer will provide an overview of the key budget items for the Director's office.

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

The primary element of the budget development for the next biennium is the reorganization of the Director's office. A study of the office organization was done by Director Biaggi and me. We look forward to deliberations on the reorganization in this Legislative Session through the budget process. We reviewed the history of positions within the office to see if changes were necessary to operate more efficiently and economically through a better workload alignment. We found the reorganization effort dovetailed with the call for budget savings. We are comfortable with the changes being made, and, in the end, savings will result.

Actions of the reorganization include the elimination of two positions and the reclassification of two positions.

Page 9 of [Exhibit C](#) lists specific decision units related to the reorganization and the *Executive Budget* page numbers. Decision unit M-160 eliminates one accounting assistant III position.

The incumbent employee retired. Prior to the individual's retirement, we had the opportunity to disperse some of the duties and ascertain if elimination of the position was possible. It has worked well.

M-160 Position Reductions Approved in 07-09 – Page DCNR-2

Decision unit E-618 eliminates one unclassified executive assistant position. The incumbent in the position began to assume duties of a public information officer (PIO). The elimination realigns the position through reclassification to a public information officer II.

E-618 Staffing and Operating Reductions – Page DCNR-3

The elimination of two additional positions is found in decision unit E-805. There was a vacant administrative services (ASO) officer IV position. The duties were transferred to the ASO II to generate savings.

A budget amendment is pending for decision unit E-805 for a zero-balance revenue-neutral move. It was missed in the first budget review.

E-805 Classified Position Reclassifications – Page DCNR-6

Additional enhancement decision units include E-710 and E-720. Both items fit within the General Fund target for this budget.

The first item in decision unit E-710 would replace a computer server. This server not only serves the Director's office but many other agencies within the Department. The capacity is being reached for the current server. We are requesting a new server to maintain historical and ongoing information in the coming biennium.

E-710 Replacement Equipment – Page DCNR-5

The second item in decision unit E-720 requests a small software upgrade of \$982 and the purchase of a camera. The DCNR has moved into the least-costly social-media area to reach out to constituents. The software allows the DCNR staff to interact more with online vendors and information online.

The individual with the duties of the PIO has been using his own equipment in remote locations where it can be dropped and damaged. The DCNR feels it is more appropriate to purchase equipment for Department use within the targeted use of the General Fund.

E-720 New Equipment – Page DCNR-6

Mr. Biaggi will explain the remainder of the key budget items.

MR. BIAGGI:

The first budget reduction I will address is the DCNR's membership within the Western States Water Council. The Council is associated with the Western Governors' Association which gives us a voice in regional and national water quantity issues. Historically, the fee for being a member is \$30,000. We have negotiated with the Council for a reduced membership of \$15,000 to meet our budget reduction requirements. This will allow us to continue to receive information on water issues; however, we will lose our voting rights. We also eliminated conference attendance and travel for this budget item in FY 2010-2011.

Second, the Advisory Board for Natural Resources provides input to the Department in its across-the-board operations. We have proposed a reduction in the number of meetings of the Board and a reduction in, or elimination of, all field trips. The DCNR is mandated to hold four Board meetings annually. We will use a significant amount of videoconferencing and teleconferencing to meet the mandate and allow the Board continued functionality.

We have provided the FY 2008-2009 actuals in the general category for In-State and Out-of-State Travel. We are budgeted at reduced amounts from the FY2008-2009 and FY 2009-2010 actuals for equipment, information services and training.

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The DCNR has made substantial budget reductions, but because of the interactions and staff cooperation, we will still meet our statutory and mandated requirements for all programs.

ASSEMBLYWOMAN MCCLAIN:

What type of issues will come before the Western States Water Council on which Nevada will have no voting rights?

MR. BIAGGI:

The issues often concern groundwater management within the states and interstate issues where two states attempt an agreement on how to divide a water source. At the national level, there are more general issues such as maintaining the primacy of water management within the state and not allowing the federal government input in assuming the water management functions. There are a wide variety of issues related to water quantity rather than water quality.

ASSEMBLYWOMAN MCCLAIN:

Are you comfortable being in that position?

MR. BIAGGI:

I would much prefer to be a member. However, the Association and the Council have been gracious in allowing Nevada to assume a lesser role but maintain continued involvement.

ASSEMBLYWOMAN MCCLAIN:

I am not comfortable with this position. Are there any large items pending on which Nevada will not have a voice?

MR. BIAGGI:

I am not aware of any at this time. I am always concerned about federal involvement in water quantity issues. The Council provides a great avenue to monitor the federal situation. The flow of information is retained with the associate membership.

ASSEMBLYWOMAN MCCLAIN:

What is the actual savings with the budget reductions for the Advisory Board on Natural Resources?

MS. SCHERER:

The *Executive Budget*, page DCNR-7, shows actual expenses in the 2007-2009 biennium of \$3,229. The Governor's recommendations for each year of the 2009-2011 biennium is \$2,300. We will hold the same number of meetings each year, but travel will be eliminated with videoconferencing.

CHAIR WOODHOUSE:

We will now open the budget of the Heil Wild Horse Bequest.

DCNR - Heil Wild Horse Request – Budget Page DCNR-9 (Volume III)
Budget Account 607-4156

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CATHERINE BARCOMB (Administrator, Commission for the Preservation of Wild Horses, State Department of Conservation and Natural Resources):
Before I present specific budget items, I will provide a brief overview of the agency. I have provided the Committee with a handout pertaining to my testimony ([Exhibit D](#)).

The desired outcome for and, thereby, the mission for the Wild Horse Commission is to serve as an advocate for wild horses through funding of educational, promotional and habitat programs and projects. Additional outcomes include participating with federal agencies in the land use planning process, ensuring sufficient habitat populations and serving as a clearinghouse for information to the general public and media on all aspects of the wild horse program in our State.

There are no new programs within the Commission for FY 2009-2010 and FY 2010-2011. There are no significant modifications for the first year of the Governor's recommended budget. However, the Heil Trust Funds that made the program possible will expire on June 30, 2010. The wild horse program will sunset at that time. Due to terminal leave payouts and the administrator's final day of operation, the program may end three or four months prior to June 30, 2010.

We all knew this day was coming. The Heil Trust Fund could not last forever. With the elimination of the Commission, the State will not have direct input into the management of 19 wild horse herd territories and 102 Bureau of Land Management (BLM) herd management areas. The BLM has jurisdiction over those areas in Nevada.

The Commission has been a strong and consistent voice in insisting federal agencies achieve and maintain management levels in the State. The Commission, with Legislative concurrence, used a portion of the Heil Trust Funds to create the Mustang Heritage Foundation. The Foundation has done an incredible job in the promotion of adoptions with more than 1,000 Nevada wild horses placed last year. The Foundation will continue the Commission's legacy in relation to wild horse adoptions.

In FY 2009-2010, the Commission budget is a standard flat budget. However, in FY 2010-2011, the Commission's budget is zero.

ASSEMBLYWOMAN McCLAIN:
Please explain the herd management areas.

Ms. BARCOMB:
There are 102 herd management areas in Nevada.

ASSEMBLYWOMAN McCLAIN:
How many horses are in the Nevada herds?

Ms. BARCOMB:
There are currently slightly less than 19,000 horses.

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ASSEMBLYWOMAN McCLAIN:

Is that a statewide number? I thought there were more than 19,000 horses.

MS. BARCOMB:

The BLM has been attempting to attain the appropriate management level of slightly less than 13,000 horses identified in their land use planning process. However, in recent years, there have been challenges of census and monitoring functions. The BLM only recently realized they have approximately 6,000 more horses than they thought.

MR. BIAGGI:

Ms. Barcomb is referring to horses that are currently out on the range. There are also approximately 30,000 to 33,000 horses in holding pens throughout the State.

MS. BARCOMB:

There are long-term and short-term holding facilities. Some of the pens are where the horses are available for adoption. There are long-term sanctuaries in Oklahoma and South Dakota. The Oklahoma facility is 17-square miles.

ASSEMBLYWOMAN McCLAIN:

Is that on State-owned land?

MS. BARCOMB:

The Oklahoma facility is on private land.

SENATOR RHOADS:

Are there 33,000 horses in holding corrals?

MR. BIAGGI:

That is correct.

SENATOR RHOADS:

Is that a Nevada figure or nationwide figure?

MS. BARCOMB:

That is a nationwide figure. Recently, Mrs. Madelyn Pickens has been working with the Governor to assume responsibility for those horses.

SENATOR COFFIN:

What is being done concerning birth control measures such as sterilization? Is anything being done selectively to control the population without shooting the horses?

MS. BARCOMB:

A fertility control drug is being used on the mares. The providers had hoped it would be effective for a long time, but it has proven effective for one to three years. It seems to last longer in some areas. They have been working on other programs. The providers want to begin gelding stallions and placing them back on the range rather than into holding facilities. There are a combination of efforts in both monitoring and fertility control.

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SENATOR COFFIN:

There was a program at the Department of Corrections (DOC), Lovelock Correctional Center, where inmates broke and trained the horses. Is the program still active?

MS. BARCOMB:

That is correct. However, the program was not at the Lovelock Correctional Center, it was at the Warm Springs Correctional Center. It was recently moved, through a grant I obtained, to the Stewart Conservation Camp facility. The holding center at Stewart is funded by a federal grant to hold 6,700 horses. It is an income-producing program for the DOC. They have held successful adoptions. The next adoption day is February 21, 2009.

SENATOR COFFIN:

What facilities are there in southern and central Nevada? Can similar programs be initiated at some of those facilities?

MS. BARCOMB:

That has been discussed in the past. Cost for the administration of a program made it prohibitive. There was a drive to open a facility in southern Nevada. However, the summer heat in the area and costs of the program made it prohibitive.

ASSEMBLYWOMAN MCCLAIN:

How will the elimination of the Commission impact Nevada's efforts on behalf of the wild horses?

MS. BARCOMB:

It will have a direct impact on the land use planning. Approximately 250 environmental planning documents are developed each year. That will not be done in the future. The Mustang Heritage Foundation will continue the adoption efforts.

ASSEMBLYWOMAN MCCLAIN:

Will some other position within the DCNR assume the duties for environmental planning?

MR. BIAGGI:

No. There are no resources within the Department to assume those functions. The Mustang Heritage Foundation will assume many of the adoption responsibilities not only in Nevada but nationwide. Some of the other activities will fall by the wayside.

ASSEMBLYWOMAN MCCLAIN:

I received a letter from entertainer Lacy J. Dalton, suggesting land developers accommodate a part of the wild horse population. Does the DCNR feel Mrs. Pickens will be successful in her plans for the wild horses?

MS. BARCOMB:

I have not seen the letter from Mrs. Dalton; however, I believe she is working on a plan for the Virginia Range stray and Comstock horses. Those are not the

horses under federal jurisdiction. Those herds are administered by the Department of Agriculture.

ASSEMBLYWOMAN MCCLAIN:

Does Mrs. Pickens' project concern wild horses on the federal level?

Ms. BARCOMB:

That is correct. She is requesting the establishment of a ranch in eastern Nevada as a tourist attraction. They are still in negotiations as she wishes to purchase the ranch and still have use of the public lands surrounding it.

ASSEMBLYWOMAN MCCLAIN:

If Mrs. Pickens' project begins within the next year, would that help preserve your Program?

MR. BIAGGI:

No, the two programs are unrelated. If Mrs. Pickens finds a sanctuary location, it will not have an impact on this Commission.

ASSEMBLYWOMAN MCCLAIN:

If Mrs. Pickens' project is ultimately in eastern Nevada, we could explore assistance from her for the Commission. I hate to see the Commission go away, especially with the manner of treatment of the horses by the BLM. I am hearing stories of individuals who, because of the economy, are turning domestic horses loose. One of the Legislators toured a holding facility. The BLM apparently flies over and drops hay for the horses outside the pen. It is a nightmare situation and yet is one of the few remaining Old West traditions.

ASSEMBLYMAN GOICOECHEA:

I wish to disclose that I own a horse-holding facility and a federal contractor's number.

SENATOR RHOADS:

The 33,000 horses in holding facilities in the Midwest are costing the taxpayers \$2 each day for their livelihood. Those 33,000 horses are those that cannot be adopted. Even if Mrs. Pickens purchased a major western ranch, these horses reproduce at approximately 20 percent each year.

Ms. BARCOMB:

That is correct. The horses reproduce at a rate of 18 to 20 percent each year.

SENATOR RHOADS:

Policies must be changed. We cannot continue to spend millions of dollars on horses no one wants.

CHAIR WOODHOUSE:

The next budget we will hear is the NDF budget.

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PETE ANDERSON (State Forester Firewarden, Division of Forestry, State Department of Conservation and Natural Resources):

I have provided the Committee with a PowerPoint handout ([Exhibit E](#), original is on file in the Research Library). There are cross references in [Exhibit E](#) to the DCNR budget items.

Page 2 of [Exhibit E](#) contains the Division's mission statement and staffing levels. The FY 2010-2011 budget figures reflect the beginning of the Three Lakes Valley Conservation Camp (TLVCC) expansion. The DOC has changed the name of the Indian Springs camp to the TLVCC.

Pages 3 and 4 of [Exhibit E](#) reflect the projected revenues and expenditures for both years of the biennium. The General Fund comprises approximately 47 percent of the Forestry budgets.

The Division has an increasing emergency response role. The budget also increases the conservation camp revenues.

Page 5 of [Exhibit E](#) lists the five budget accounts of the Division. Four of the budgets will be discussed today.

One achievement for the NDF in the current biennium is the fuels reduction projects around the State. In the past three years, over 14,000 acres of land have been treated. There are 107 active projects statewide. We are anticipating additional grant funding through the proposed stimulus package.

One impact is, rather than a foundational budget through the Cooperative Forestry Assistance Act of 1978 from the U.S. Forestry Service, we are moving toward a more competitive environment. We compete with the 17 western states when a project is submitted. The implication is a change in the historic use of funds.

Conservation projects have included forest health and climate change. We are trying to stay ahead of the outbreaks of bark beetle infestations.

We are working on the Lake Tahoe Environmental Impact Program (EIP). We are partners with the DOC in the biomass facility located in Stewart. The Division was successful in obtaining a grant to purchase four bins and a truck to move chips from fuels projects along the Sierra Front and in the Lake Tahoe Basin to the biomass plant in Stewart. The biomass facility is operating successfully.

The Division's mission in wildland fire management is evolving. We have responded to several all-hazard incidents. That is both a good change and somewhat challenging.

The Division is faced with a changing environment. We are doing everything possible to meet those challenges and changes. The Governor began an initiative for the war on cheat grass. Fine fuels carry wildfires in this State. The fine fuels are cheat grass in the north and red brome in the south. We are working with other agencies to control these species.

Performance indicators have been changed since the last time I was before the Subcommittee. The percentage of Nevada communities assisted by urban community forestry has changed. Because of the reduction in federal funding, one FTE position was eliminated. The impact is reflected in the performance measure.

The competitive move for federal funding has impacted the Division's training capabilities. The reduction is reflected in our performance indicators. The Division has held vacancies open trying to meet budget requirements in these economic times.

Mr. Scott Sisco will provide the detail on the decision units in this budget.

SCOTT SISCO (Deputy State Forester, Administrative Service Officer, Nevada Division of Forestry, State Department of Conservation and Natural Resources):

The first decision unit in budget account (B/A) 101-4195 is M-160.

Decision unit M-160 eliminates the Forestry's southern regional management position located in Las Vegas. The agency will redistribute that workload to other staff in that area.

M-160 Position Reductions Approved in 07-09 – Page DCNR-25

Decision unit E-607 reduces State funding support to pay for the cost of physical examinations for members of volunteer fire departments. We have had sketchy compliance from the volunteer fire departments in ensuring their volunteers have current physicals. This decision unit cuts the funding to the levels at which compliance has been met to reach budget requirements.

E-607 Staffing and Operating Reductions – Page DCNR-26

Decision unit E-608 eliminates an equipment mechanic II position in Elko that was responsible for maintenance of emergency response vehicles in the northern region. The region is left with two mechanic positions responsible for maintenance of approximately 120 emergency response vehicles.

E-608 Staffing and Operating Reductions – Page DCNR-26

Decision unit E-609 reduces the size of the emergency response fleet to save insurance premiums. Approximately 69 vehicles will be eliminated. This is an acceptable number of vehicles during typical fire years. We will struggle in extreme fire years and may need to utilize cooperating agencies to a larger extent.

E-609 Staffing and Operating Reductions – Page DCNR-27

Decision unit E-660 eliminates the Mutual Aid Coordinator Program. It uses non-General Funds from that position to supplant the funding of another position within the Division to meet General Fund budget-reduction targets.

E-660 Program Reductions/Reductions to Services – Page DCNR-27

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ASSEMBLYMAN HOGAN:

How many personnel are stationed in the southern region with no supervision?

MR. ANDERSON:

We are in the middle of a reorganization process. Historically, the agency was based on a regional approach. We have begun a programmatic approach; therefore, no staff in the southern region is without supervision. We have refocused supervision from the State office. For example, the statewide fire program manager is responsible for all three fire management officers; one in the south, one in the northeast and one in the west. There are two administrative employees; a resource management officer and a fire management officer in the southern region. There are firefighters at the Kyle Canyon Fire Station and there is also a nursery manager. The camp program is also managed programmatically. There is a section chief in two conservation camps located in Jean and the Three Lakes Valley facility.

ASSEMBLYMAN HOGAN:

Is it the plan for management of the southern region to be remotely supervised? Are there future plans for realignment to provide direct supervision to the southern region?

MR. ANDERSON:

The remote supervision concept is the current plan.

ASSEMBLYMAN HOGAN:

I am unclear on the role of the NDF and that of the DOC concerning the biomass facility. Is the role of the NDF limited to delivery of the fuels for the facility? Does the DOC have management responsibility for operation of the facility?

MR. ANDERSON:

The fuel provision is in partnership with the DOC. The DOC pursued grants and constructed the facility. The NDF has assisted by establishing projects in the Sierra Front and the Lake Tahoe Basin to streamline the wood supply. The grants allowed the NDF to purchase four bins and a truck. The DOC provides the truck driver and the NDF conducts the coordination and logistics from project to project.

ASSEMBLYMAN HOGAN:

Does the NDF anticipate the remaining two mechanics in the Elko area will have the ability to keep over 100 vehicles in service? Should we anticipate a larger number of vehicles awaiting repairs?

MR. ANDERSON:

We can also rely on private contracts as needed. It is always a challenge with an aging fleet.

ASSEMBLYMAN GOICOECHEA:

The budget is being reduced by \$10,131 for the volunteer firemen's physical examinations. How much will remain in the allocation for that purpose?

MR. ANDERSON:

Approximately \$50,000 remains.

ASSEMBLYMAN GOICOECHEA:

Why are we keeping a portion of the funding and eliminating another portion? I am aware of the lack of response by some volunteer fire departments to meet their appointment dates for physicals. My concern is that certain departments will not obtain physical exams. I am trying not to place a larger burden on local governments. With pending legislation concerning heart and lung issues, perhaps it is not the place of the NDF to fund those physicals.

MR. ANDERSON:

The current environment is difficult. We are making what we feel are the best decisions we can to get through this declining economic time. I propose, over the next two years, we could react accordingly if there appears to be an increase in participation.

ASSEMBLYMAN GOICOECHEA:

I understand, through my experience as a volunteer firefighter. However, it is not the liability of the NDF for the physical examinations; that liability should belong to the volunteer department whether they are working for the NDF or not.

MR. SISCO:

Decision unit E-710 is the computer replacement schedule pursuant to the Department of Information Technology's approved standards for our agency. The NDF has one computer technician responsible for the computer needs of approximately 200 employees statewide. We keep the computers current because the older they become, the more assistance they need.

E-710 Replacement Equipment – Page DCNR-30

Decision unit E-900 transfers three helitack seasonal positions from B/A 101-4198 into B/A 101-4195. The helitack program is operated from the administrative budget.

E-900 Transfer Helitack from Forestry Conservation Camps – Page DCNR-31

ASSEMBLYWOMAN MCCLAIN:

Is there any salvage value in the 69 vehicles that are being eliminated? Are these primarily a stack of parts?

MR. ANDERSON:

Most of the vehicles were federal excess property with extremely high mileage. There is not much value left in the vehicles.

ASSEMBLYWOMAN MCCLAIN:

What becomes of vehicles that are eliminated from a fleet?

MR. ANDERSON:

The vehicles are sold at auction.

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Decision unit M-425 concerns the Department of Occupational Safety and Health Administration's mandated safety issues. They include emergency egress lighting.

M-425 Deferred Facilities Maintenance – Page DCNR-26

There are two Capital Improvement Program projects. One is 09-M06 for the Kyle Canyon Fire Station. It was approved during the 74th Legislative Session but placed on hold because of the budget situation. It provides traffic signals on both sides of the fire station. The situation there is dangerous.

Project 09-M06 Install traffic signal

There is also a small project, 09-M32, at the Stewart Conservation Camp. This project will install a sewage dump and make repairs and upgrades to the potable water system.

Project 09-M32 Sewage Dump Station Upgrade

I will now discuss B/A 101-4196.

DCNR - Forest Fire Suppression – Budget Page DCNR-35 (Volume III)
Budget Account 101-4196

This is the emergency account for forest fire suppression. Many achievements have been made. Over the years, fire billing and processing has been one of our greatest challenges as an agency. Tremendous progress has been made through reviewing and updating every agreement with federal agencies, other states and local governments. Because of the Fire RMS software, less data entry time is required. It streamlines paperwork and the NDF now has a complete database.

Historically, a great amount of money is focused on fire suppression rather than fire prevention. It is my hope that progress can be made to switch that focus. The NDF would prefer to focus on prevention through vegetation management.

The State must remain cognizant of new agreements and federal fire policy changes. There is more emphasis placed on allowing fires to take their own course of action in certain parts of the country and in this State. There are vegetation impacts of climate change and cheat grass issues. There are no maintenance or enhancement decision units in this budget.

ASSEMBLYWOMAN McCLAIN:

We have no control over federal decisions, but will conservation efforts help to keep the costs of fire suppression lower? The costs in FY 2007-2008 were extremely high. What are the projections for the 2009 fire season?

MR. ANDERSON:

It is a volatile situation. Many factors play a part, including precipitation and density of fuels. The 2008 fire season was slow, but over 1 million acres burned in the 2007 fire season. On a ten-year average, Nevada is averaging over 500,000 acres burned each year. At this point, there is enough precipitation to grow a lot of grass. That is good for the livestock industry and

other animals. However, from a fire prevention perspective, we will likely have an active fire season. Once the fine fuels dry out, they will carry ignition rapidly through shrubs and timber.

MR. BIAGGI:

In the five years I have been Director of the DCNR, I have found if it is a dry year, it will be a bad fire season; if it is a wet year, it will be a bad fire season. The proposed stimulus package includes a significant amount of funds for the State to work on fuels reduction and forest health. We are hopeful the funds will be distributed quickly and we can address vegetation management efforts.

MR. ANDERSON:

Page 13 of [Exhibit E](#) lists the performance indicators for B/A 101-4196. We have done well on Performance Indicator No. 1 for the percentage of non-billable incident reports completed. I wish to thank Mr. Sisco and his staff for those efforts.

We are struggling in some areas. There has been an impact from the transitions of the fire districts into county fire districts. That is reflected in some of the response times.

CHAIR WOODHOUSE:

Are there any individuals who would like to address this budget area?

KYLE DAVIS (Policy Director, Nevada Conservation League):

A significant amount of this budget is directed toward fire suppression. It was mentioned there is the Governor's initiative for the war on cheat grass. To date, not many resources have been directed for the war on cheat grass. This is a real fuel problem when wildfires occur.

When wildfires are burning across the State, there is not only a financial problem but a loss of wildlife habitat and the potential for the endangerment of species. It is crucial to make the best efforts in fuels management and attempt to reduce the intensity and scope of wildfires in the State. There are both environmental and economic benefits to avoiding the endangerment of species.

MR. ANDERSON:

We will now turn to B/A 101-4198.

DCNR - Forestry Conservation Camps – Budget Page DCNR-40 (Volume III)
Budget Account 101-4198

There have been many achievements in this budget account. During the 74th Legislative Session, the NDF began constructing its own crew carriers and tool trailers. I am happy to report the construction of those vehicles has been completed, saving the State \$448,780. The NDF has trained 6,753 inmates over the course of the biennium. This is a positive program for those individuals.

We can currently field 76 12-person crews in 9 camps and have 54 fire crews available. As we get closer to the fire season and train more inmates, those figures will increase. We have become the backbone of emergency response

capabilities in the State. Our crews play a critical role in response to all-hazard incidents other than fires, including floods and earthquakes.

The inmates are the labor force in addressing some of the challenges facing the NDF in forest health and fuels reduction. They do a tremendous job.

There are issues currently being faced in this budget. Camp revenue targets are challenging in heavy fire years when crews are being used to capacity. Wildfire response takes priority.

There is still a pay inequity issue that arose during the 74th Legislative Session.

Assembly Bill (A.B.) No. 510 of the 74th Session has had an impact on inmate populations and is reflective in the increasing number of inmates being trained.

A bill this Session, A.B. 78, establishes the camp programs in statute.

ASSEMBLY BILL 78: Requires the State Forester Firewarden to establish and carry out a program for operating conservation camps. (BDR 16-358)

Page 15 of [Exhibit E](#) contains the performance measures for this budget. There is a significant decrease in the percentage of mandatory training completed by employees. The number of inmates, who are our employees in this measure, are increasingly difficult. The overall costs and requirements for training for our staff have increased.

SENATOR RHOADS:

Does the NDF use the University of Nevada, Fire Science Academy for training?

MR. ANDERSON:

We use the Fire Science Academy for volunteers on weekends when the firefighters have time to attend. We have had some excellent training opportunities in structure and wildland fires. The fuel portion of the training is expensive. When federal grants are available, we use them for training purposes.

Performance Indicator No. 2 concerns funds from camp projects as a percent of the budget. The staff has done a great job in increasing revenues.

MR. SISCO:

The first decision unit on page 16 of [Exhibit E](#) is M-160. This unit is confusing because it appears the TLVCC is requested twice in the budget.

This decision unit eliminates the request from the Base Budget as directed during FY 2008-2009 by the Interim Finance Committee (IFC). There is another decision unit that requests the expansion again.

M-160 Position Reductions Approved in 07-09 – Page DCNR-42

Decision unit E-610 eliminates 22 vehicles from the NDF conservation management fleet. The insurance savings will be used to meet mandatory budget-reduction targets.

E-610 Staffing and Operating Reductions – Page DCNR-44

Under the mandated budget reductions for both the DOC and the NDF, the Tonopah Conservation Camp (TCC) is scheduled to be closed. Decision unit E-662 will eliminate 6 type II fire crews with 79 firefighters from the central region. It will eliminate aid to local school districts, local governments, communities and senior citizens in the Tonopah area.

The closure will require the layoff of one camp supervisor and six conservation crew supervisors.

E-662 Program Reductions/Reductions to Services – Page DCNR-44

ASSEMBLYMAN GOICOECHEA:

The NDF is responsible for the fire crews during the daylight hours. The DOC has responsibility for the inmates at night. There have been a few problems at the TCC. However, the bottom line is the DCNR has done a tremendous job with the crews especially the six crews in central Nevada. If the TCC is closed, it will take a long time for crews to respond from the TLVCC to Austin, Nevada.

ASSEMBLYWOMAN LESLIE:

I have a concern about the closure of the TCC. What is the backup plan if it is eliminated? How will wildfires be fought in central Nevada?

MR. ANDERSON:

Nevada wildfires are fought through interagency action. That is a mix of local governments, federal agencies and the NDF. We consider the State as a whole, daily on a statewide basis, from the beginning of the fire season. The Nevada fire season typically begins in the south and moves up the west side of the State.

ASSEMBLYWOMAN LESLIE:

What is the impact of losing the TCC?

MR. ANDERSON:

We do the best we can to address needs through resource management statewide. There are holes in various places.

ASSEMBLYWOMAN LESLIE:

Who would cover this hole?

MR. ANDERSON:

I cannot say specifically who will cover that area of the State. The decision will be a made as an interagency decision. From a physical standpoint, there are only a few crews in that area.

ASSEMBLYWOMAN LESLIE:

Is it likely wildfires will burn quicker, faster and further? If the TCC is eliminated and a fire starts on Table Mountain, how will it be addressed?

MR. ANDERSON:

The concept of fighting wildfires is "rapid response, keep them small, and get them put out." A fire on Table Mountain would probably be an aerial effort while ground crews move to the location. Ground crews would come from a further distance under this proposal.

ASSEMBLYWOMAN McCLAIN:

What is the response time from the TLVCC to Tonopah?

MR. ANDERSON:

Three Lakes Valley is approximately 30 minutes north of Las Vegas; therefore, the response time to Tonopah would be approximately 3 hours.

MR. SISCO:

Enhancement unit E-680 supplants the existing General Fund with increased budgeted camp revenues from the base year to meet the budget targets. There were increased camp revenues in the base year of FY 2007-2008. The funds were reverted in that year through the IFC.

E-680 New Revenues or Expenditure Offsets – Page DCNR-46

ASSEMBLYWOMAN McCLAIN:

If the TCC is closed, what will happen to the existing facility?

MR. SISCO:

It is our understanding the DOC has included the cost to mothball the facility in their budget.

ASSEMBLYWOMAN McCLAIN:

Will the DOC maintain staff at the location to keep the facility from falling apart or will they simply walk away?

MR. ANDERSON:

To my knowledge, no staff will be left at the facility.

ASSEMBLYWOMAN McCLAIN:

How will the closing of the TCC impact work the camp crews perform for local governments and various projects?

MR. ANDERSON:

It will impact those functions.

ASSEMBLYWOMAN McCLAIN:

Do the Tonopah crews perform a number of projects?

MR. ANDERSON:

The crews support the communities and counties within their general area from Hawthorne south. That includes both Esmeralda and Nye Counties.

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ASSEMBLYMAN HOGAN:

Do I understand the savings involved, over the biennium, would be under \$700,000 from the General Fund? We would also lose \$250,000 in revenue obtained from the operations of the camp. Is what we are losing in coverage, services and fire protection to be balanced against the savings of approximately \$700,000 over the biennium?

MR. ANDERSON:

That is correct.

ASSEMBLYMAN HOGAN:

It is a high price to pay for that amount of savings.

ASSEMBLYMAN GOICOECHEA:

There will be expense, even if the TCC is closed. The inmates still need to be moved. The expense is ongoing. It is a case of looking to where the inmates' services will do the most good.

MR. SISCO:

Decision unit M-202 corresponds to one in the DOC budget where the TLVCC expansion is postponed from the original opening in FY 2008-2009. It provides for an additional 94 inmates in April 2010 and another 210 inmates later in 2010. This unit funds the startup equipment and operating costs as well as the 16 new crew supervisors and 1 new camp supervisor in that account.

M-202 Demographics/Caseload Changes – Pages DCNR-42

ASSEMBLYWOMAN McCLAIN:

When is the TCC scheduled to close?

MR. SISCO:

If approved by the Legislature, the TCC will be closed July 1, 2009.

ASSEMBLYWOMAN McCLAIN:

Will it be nine or ten months later before the TLVCC is scheduled to open?

MR. SISCO:

That is correct.

ASSEMBLYWOMAN McCLAIN:

What happens in the meantime?

MR. ANDERSON:

We wait on the DOC to move the project forward. That is the best schedule we have at this time.

ASSEMBLYWOMAN McCLAIN:

If, and when, the TLVCC opens, will it have 16 fire crews? Does the DOC have enough minimum security inmates to fill the positions?

MR. ANDERSON:

Those are the projections made by the DOC.

ASSEMBLYWOMAN McCLAIN:

If the TCC performs a large number of projects for small local governments in that area, I do not expect a similar number of projects available in Clark County. Is that correct?

MR. ANDERSON:

That is correct. The difference in the metropolitan areas is the private sector is available to provide many services not available to the rural communities.

ASSEMBLYWOMAN McCLAIN:

I do not see the same magnitude of effect on a large metropolitan county as in some of the smaller counties.

ASSEMBLYMAN GOICOECHEA:

Does the NDF bill the local government when camp crews work on local projects?

MR. ANDERSON:

Yes, they do.

ASSEMBLYMAN GOICOECHEA:

As Assemblywoman McClain stated, the rural areas do not have the ability to locate a contractor to work on certain projects. The local governments reimburse the camps for services rendered and the job gets done.

MR. SISCO:

Decision unit E-710 is the computer replacement as scheduled. As mentioned, the DCNR has one information technician who addresses the computer needs for more than 200 staff.

E-710 Replacement Equipment – Page DCNR-46

Decision unit E-711 will replace two camp vehicles. In August 2008, one vehicle scheduled for replacement had 231,462 miles and the other had 263,000 miles in service. These are only two of five vehicles in the fleet with more than 200,000 miles in service. The request is within the General Fund budget targets.

E-711 Replacement Equipment – Page DCNR-47

Decision unit E-900 is the corresponding unit to the transfer decision unit in B/A 101-4195. It transfers the three seasonal helitack positions from the camps budget to the administration budget.

E-900 Transfer Helitack Seasonals to Forestry (4195) – Page DCNR-47

Decision unit M-425 addresses two life/health/safety deferred maintenance issues within the camps.

M-425 Deferred Facilities Maintenance – Page DCNR-43

ASSEMBLYWOMAN MCCLAIN:

I will return to the timing of the closure of the TCC on July 1, 2009. The TLVCC will not open until at least April 2010. Also, there is \$313,000 in this budget in FY 2009-2010 to purchase the equipment for the new crews at the new camp. Is that correct? Did the NDF have input into the timing of the process with DOC?

MR. SISCO:

Your timing assessment is correct. There has been considerable discussion regarding timing and equipment purchases. The DOC decides which inmates will be available, for what camps, in certain time periods. The NDF did not have much input in that part of the process, but we understand the process and their reasoning.

Concerning our purchases and expenditures, it takes approximately four months for the NDF to train the supervisors and inmates to begin to generate revenue. That is the reason we are making the largest requests, for equipment and supplies, in FY 2009-2010. The remaining employees will be hired in FY 2010-2011.

ASSEMBLYMAN GOICOECHEA:

Decision unit E-900, for the helitack program, is valuable when it works well. Our constituents call if it is not working well. I am concerned the NDF will not have the ability to keep that program running in the upcoming biennium. I am aware of the partnership with the Nevada Department of Wildlife (NDOW) to exchange pilots and mechanics.

MR. ANDERSON:

That is correct. With a third helicopter fully operational in the fleet, there is one filled full-time pilot position and one seasonal pilot position that is currently being recruited. We have the ability through an agreement, to request assistance of the NDOW when fire activity is extreme.

ASSEMBLYMAN GOICOECHEA:

The NDOW recently noted they had 18 applications for a position they had thought would be difficult to fill. Is that the shared position? I commend the NDF for the partnership which results in a cost-saving measure.

CHAIR WOODHOUSE:

Under decision unit M-202, can the equipment associated with the 6 eliminated conservation crews at the TCC be utilized by the 16 crews scheduled in the TLVCC?

MR. SISCO:

Extensive research was done. There is a possibility for moving certain equipment such as a computer and printer, a pulaski tool, a few shovels and McCloud tools. Chain saws are a consumable item for the NDF. It is not feasible to transfer the current vehicles. We will work with the Legislative Counsel Bureau (LCB) staff to identify those items that can be transferred.

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ASSEMBLYWOMAN MCCLAIN:

The NDF is requesting 2 new vehicles and eliminating 20 vehicles. Is there a way to keep 2 vehicles of the 20 to be eliminated and postpone the purchase of new vehicles?

MR. SISCO:

The vehicles being eliminated are mostly federal excess property that has gone through several federal agencies before being utilized by the NDF. We are typically the fourth or fifth agency to use the vehicles. This budget includes 5 vehicles used for over 200,000 miles each. Those are non-crew transport vehicles. There are no viable replacement vehicles within those proposed for elimination.

ASSEMBLYMAN GOICOECHEA:

Are the 69 surplus vehicles ultimately made available to local jurisdictions for purchase ahead of a public auction? They are perhaps not trustworthy to travel from Three Lakes Valley to Austin; but would they work in communities such as Jiggs and Midas that have short travel routes?

CHAIR WOODHOUSE:

There are a number of people who would like to speak on this subject.

JONI EASTLEY (Chair, Nye County Board of County Commissioners):

Seated behind me are citizens I was elected to represent. I am proud that so many of them traveled to Carson City today. It seems areas of the State such as Tonopah continually try desperately, each Legislative Session, to hang on to what we have left in services. I implore the Legislature to consider there are other entities that will suffer from the closure of the TCC.

DAN SWEENEY (Fire Chief, Town Manager, Round Mountain, Nevada, Manger, Round Mountain Public Utilities):

I have 25 volunteer firefighters in Round Mountain. Most of them work at the Round Mountain Gold Corporation and they are not wildland firefighters. We do function in wildland/urban interface in the small areas up and down the canyons and in the communities of Smoky Valley, Manhattan, Belmont and Gabbs in support of the NDF, the U.S. Division of Forestry and the BLM.

As an example, in 1999, Peavine Canyon was on fire. I was first on the scene. Our firefighters responded quickly. We were able to save the house, but the fire was burning rapidly up the canyon. I made a call to the Sierra Front and they dispatched a TCC crew of 24 who were on scene within 45 minutes. They placed a firebreak. That type of response will not be available if the TCC is closed. There is a small BLM crew of six in Austin.

The Town of Round Mountain pays the TCC through our contract for snow removal, woodcutting for seniors, spring and fall cleanup of parks and care of the fish ponds. It keeps the crew busy and supports the community. Those functions would not be done in a timely manner with the two-man maintenance crew the town employs.

There are two water systems in Round Mountain. One was established within the original town site in 1906. Maintenance is extensive. Our water quality is

mandated by the British Household Panel Study to be provided without arsenic levels. That water must be brought from the canyons. The crews from Tonopah clear debris in the canyons and conduct well development and inspections. They walk the 13-mile line each year for the town. The crews paint the water tanks and weed the grounds around the tank. This year, the Nevada Division of Environmental Protection (NDEP) has added a requirement. The Round Mountain Utilities has signed another contract for approximately \$23,000 with the TCC to assist with meeting the NDEP requirement. If the entire project was contracted, it would cost the town approximately \$255,000. However, the entire project will ultimately cost approximately \$85,000 with the assistance of the TCC.

The TCC is extremely important in just my small community.

ROBERT S. HADFIELD (Walker and Associates):

In approximately 1991, then Governor Bob Miller proposed closure of the DOC honor camps throughout the State. I was a special consultant to the Senate in the ensuing deliberations; therefore, I am intimately aware of all the honor camps and the functions they perform. The NDF does an outstanding job in management of the camps; however, they are at the mercy of the DOC. The system can be manipulated by means such as placing wounded and injured inmates in the camps. Much of what is currently occurring is because the DOC wants to staff the Prison Industries function in southern Nevada.

As an elected official in the town of Minden, we also use camp crews. They are a reliable workforce and perform work we cannot find anyone else to do. The Nevada Department of Transportation (NDOT) also uses the crews for fence installation and repair along the highways.

The Legislature sees all budgets of the State. Many times, actions taken in one budget will have far-reaching affects on many other budgets. The honor camp crews are a part of the fabric of our communities. The whole issue appears to revolve around management of the prison population.

I have worked for many years on State Public Land issues. An allocation from the Legislature funded a fire study conducted by the Nevada Association of Counties to identify how to protect Nevada resources. Unfortunately, many people think sagebrush has no value. It has tremendous value to the State. There has been testimony about the growing cheat grass problems and the fire dangers. The honor camp inmates are the fire resource for the State. They are the first responders who prevent a fire from becoming a catastrophe. These are not unwanted prisoners stuck in the middle of a neighborhood. The closure of the TCC will not save the State money in the long run.

ASSEMBLYWOMAN LESLIE:

I agree. We need to prioritize this item in the rebuilding of budgets. Have similar presentations been made to the Office of the Governor? If so, what kind of feedback was received?

MR. HADFIELD:

Governor Jim Gibbons and I have not had an opportunity to speak.

MS. EASTLEY:

I have not spoken with the Governor either.

ASSEMBLYWOMAN LESLIE:

It seems as if rural Nevada is getting the short end of many budget-reduction requests. I assure you, many urban individuals value the rural areas of Nevada.

SENATOR COFFIN:

If the camps are closed, we will return to the era of making telephone calls to find volunteers, most untrained, who are willing to fight forest fires.

ASSEMBLYMAN HOGAN:

We have established the savings from the closure of the TCC would be approximately \$650,000. One person testified of the tremendous value to his community from the TCC. Just the savings in that one community was \$150,000 on one required project. That is one-quarter of the entire savings from closure of the TCC. There are many other small communities similarly affected. Perhaps a small study could be done of the individual community's savings to see how many communities it would take to equal the State savings from closure of the camp.

STEVE BARR (American Federation of State, County and Municipal Employees Local 4041):

I concur with previous testimony. The American Federation of State, County and Municipal Employees (AFSCME) 4041 does not support the closure of any camps or institutions as the proper action to take. The TCC closure testimony today is absolutely true. The closure would not be proposed except for the economic situation of this State. Regarding savings of \$650,000 through closure of the TCC: the fuel for the biomass plant located at the Northern Nevada Correctional Center is transported by contractors. Each load the contractor delivers costs the State \$900. The drivers deliver four or five loads each day and the plant burns two loads each day. That equates to \$1,800 each day. The State is burning \$657,000 each year for a plant not operating as it was designed. The biomass plant operates at approximately 60-percent of capacity when it is running. The Subcommittee may wish to review that operation.

DENISE NELSON (Chair, Tonopah Chamber of Commerce and Treasurer, Tonopah Development Corporation):

I feel more hopeful after hearing the testimony today. Mr. Biaggi's testimony stated support is reduced to various volunteer fire departments throughout the State. Our volunteer firefighters are not trained wildfire fighters nor do we have the equipment to fight wildfires. I had an opportunity last year to be on the scene of a fire and saw the TCC crews arrive. It was like watching the cavalry arrive. They had pieces of specialized equipment. Where will the money come from for the communities to purchase specialized equipment and provide wildland firefighter training for the volunteers if the TCC is closed?

The conservation camp crews perform functions the communities could not otherwise afford. Many agencies cooperated last year in the first annual Tonopah Muck Out. It was a massive cleanup of areas within Tonopah. The work the crews accomplished was outstanding. Because of the success, there

are plans to make this an annual event. If the TCC is closed, 2009 will be the last year for the event.

I have provided a variety of letters ([Exhibit F](#), original is on file in the Research Library) for the Subcommittee from individuals from Tonopah and surrounding areas. The TCC closure affects a large area. We also plan to attend future hearings on the DOC budgets in the hope of finding a solution.

In answer to Assemblywoman Leslie's question concerning the Governor's response; I sent a letter and two e-mails to his office and I have had no response.

JAMES EASON (Tonopah Town Manager):

Most of us realize the DOC is leading the move to close the TCC. The working relationship I have with the TCC and the NDF personnel is wonderful. Anytime we have a mission, whether it is an emergency, neighborhood cleanup or a flood control project, the NDF is there. The real issue is public safety, not only for Tonopah, but for central Nevada.

The impact will be felt in Mineral County including Hawthorne; Esmeralda County including Silver Peak, Goldfield, Lida, and Dyer; northern Nye County; southern Lander County and southern Eureka County. Together these areas represent an area the size of Delaware or New Jersey.

What makes Tonopah so vital to the State's safety is that with a response time of four to six hours, a crew can be anywhere within the State of Nevada. The crews responded to the 1997 and 2000 floods in northern Nevada.

Cheat grass burns every three to five years. It is wonderful to hear the Governor has identified cheat grass as a priority. The Town of Tonopah sent a letter dated July 23, 2008, to Governor Gibbons when we first heard about the closure. We have had no response. The TCC is being punished for doing their job right. They address fuels reduction in all these areas including the Berlin-Ichthyosaur State Park.

CHAIR WOODHOUSE:

The Subcommittee members understand the importance of this issue to the local communities.

JEFF FONTAINE (Nevada Association of Counties):

The Nevada Association of Counties supports the counties of central Nevada in their efforts to keep the TCC open. We attended several hearings of the State Prison Board over the last year. We sent a letter to the State Prison Board regarding discussions, at the time, of closure of several honor camps. During the presentations, Director Howard Skolnik of the DOC, indicated, in his justification for closure of the TCC, that there were not a lot of fires in central Nevada. The reason, according to his testimony, was there are not a large number of fires in central Nevada. That is because of the work done by the TCC crews in fuels reduction. That is a major goal of the NDF.

DOUGLAS BAKER (District Road Supervisor, Nye County):

I am here to support the TCC and the work that has been accomplished by the camp crews. They are trained firefighters and that is their first priority. When they are available, they also patch roadways, seal cracks, clean up landfills, dig out fire hydrants in the snow, clean road easements, weed rights-of-way and weed around lights at the airport.

In 2008, the county public works department was billed for 4,888 inmate hours at a cost of \$19,600. Without the camp crews, these duties could not have been accomplished in a timely and affordable manner. I have a fear if the camp is closed, crews will never appear in central Nevada again.

HORACE CARLYSLE (Member, Tonopah Town Board):

When I attended the hearing for the DOC budget, the closure appeared to be focused on jobs or money. The spokesperson for the DOC justified the closure of the TCC primarily because there were no fires so no service was needed. The second justification for closure was the cost of callbacks because staff lived in Las Vegas. It takes four or five hours to bring someone in to replace someone who is sick. That is an administrative issue. Public safety is an abstract.

What is being asked here is to obliterate primary public service in central Nevada. There will not be consequences until a major fire occurs or someone dies. If more money is required, I would support a marginal increase in payment for the services to the community. I appreciate the services we have.

CHAIR WOODHOUSE:

We will now open the hearing on B/A 101-4227.

DCNR - Forestry Inter-Governmental Agreements – Budget Page DCNR-50
(Volume III)
Budget Account 101-4227

MR. ANDERSON:

Budget Account 101-4227 covers the Forestry inter-governmental agreements, also known as the 473 fire districts.

There is a large amount of transition occurring in the county fire districts. The transition in Washoe County was completed during the 2007-2009 biennium. We have also completed the transitions in Clark County, along the Sierra Front and White Pine County has made the decision to separate as well.

There are many considerations during the transitions for balancing the needs of federal agencies, the State and local governments. We are all striving to overcome the transitions and the roadblocks that occur.

Page 22 of [Exhibit E](#) lists the performance indicators for B/A 101-4227. Grant funding is our primary revenue source for training. The reductions in grants available impacts training efforts in this budget account.

The NDF is in a transition with local governments to a more statewide approach for Performance Indicator No. 4, the 30-foot wildland urban interface clearance inspections. I would expect this performance measure to change.

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This budget account contains no General Funds; therefore, there are no additional budget cuts included other than those specific to salary and benefits. There are a few enhancement decision units in this budget.

Decision unit E-225 eliminates revenues and base year expenditures associated with the former participation of Douglas County, with the transition of White Pine County and the loss of a battalion chief.

E-225 Eliminate Duplicate Effort – Page DCNR-52

Decision unit E-226 eliminates revenues in base year expenditures, including staffing, associated with the former participation of White Pine County.

E-226 Eliminate Duplicate Effort – Page DCNR-53

Decision unit E-710 reflects the computer replacement schedule pursuant to DoIT-approved standards. We can provide a list to the LCB staff. The picture on page 24 of [Exhibit E](#) depicts the NDF participation with many other agencies during the Wells earthquake recovery. Our mission is ever changing.

E-710 Replacement Equipment – Page DCNR-55

ASSEMBLYMAN GOICOECHEA:

The NDF was negotiating with Lander County to enter the Inter-Governmental Agreement. What is the status of the negotiations?

MR. ANDERSON:

It is progressing well. We are looking at new models of how we conduct business. It would allow the county to retain their volunteers and focus on the structural and all-risk aspects. The NDF would focus on wildland fires. I am hopeful we can come to an agreement in the future. It will become a model we can use with other rural counties in the future.

ASSEMBLYWOMAN MCCLAIN:

I understand why Washoe County opted out of the Inter-Governmental Agreements. Please explain why Douglas and White Pine Counties also removed themselves from the agreement. Are there other counties requesting removal from agreements?

MR. ANDERSON:

The Douglas County situation was similar to Washoe County. The urban development has “bumped up” to the U.S. Forest Service boundary. Over the past 25 to 30 years, the U.S. Forest Service has consolidated and acquired much of the private lands for which those districts were established.

White Pine County is an interesting environment. There are limited private lands in the area. Their community determined this was an area over which they wanted greater control. There is less than 5-percent private land in White Pine County.

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On the other side, Storey County has an Inter-Governmental Agreement and that County is over 80-percent private land. It is a matter of trying to streamline and make the best use of taxpayer dollars.

CHAIR WOODHOUSE:

We will now open the hearing for the budget of the Division of Water Resources.

DCNR - Water Resources – Budget Page DCNR-82 (Volume III)
Budget Account 101-4171

JASON KING, P.E., (Acting State Engineer, Division of Water Resources, State Department of Conservation and Natural Resources):

I have provided a PowerPoint handout ([Exhibit G](#), original is on file in the Research Library) to the Subcommittee.

The mission of the Division of Water Resources is to conserve, protect, manage and enhance the State's water resources for Nevada's citizens through the appropriation and reallocation of the public waters. Those include both surface and groundwater.

Other duties include dam safety, well-driller activities, floodplain management and water planning. We have signatory authority of all subdivisions within Nevada.

In FY 2008-2009, there were 73.5 FTE General Fund positions. As a result of proposed budget reductions, 11.4 positions will be eliminated in FY 2010-2011. The Governor's recommended budget will be reduced from \$7,374,882 in FY 2008-2009 to \$6,039,069 in FY 2010-2011.

The Division is primarily funded by the General Fund. Over 90 percent of our revenues are from the General Fund. Approximately 7 percent are from local government which funds three of the Truckee River mapping positions. A small amount of federal funds are allocated for floodplain management. The major portion of the expenditures is allocated to personnel salaries. Most of the remaining expenditures are for operating and support of personnel. A small amount of funds is provided to the U.S. Geological Survey for their gauging program throughout the State. Other small expenditures to the federal government concern floodplain management and dam safety.

During FY 2007-2008, actions taken on non-protested applications exceeded the projections. The projection was 1,127, and 1,217 were performed.

Projections for protested applications were 120 and that performance measure was exceeded with 337 actions taken.

The performance indicator for temporary application actions taken was 190 and 280 temporary application actions were taken.

Water-right ownership title changes confirmed were projected to be 2,400. There were 2,517 confirmations established.

The projection for backlogged applications was 380 and 834 actions were actually taken.

The one performance indicator in which the projections were not met was that of high-hazard dam inspections. The projection was to inspect all 145 dams; 72 were inspected.

ASSEMBLYMAN HOGAN:

Looking at the performance indicator numbers, the project goals for the next biennium appear consistent for each indicator. The projected goals are substantially lower than both the previously projected numbers and actual actions taken. Is the Division anticipating fewer requested actions in each category, or are we anticipating greater backlogs in these areas?

MR. KING:

The projected numbers are lower due to the expectation of the loss of 11.4 FTE positions.

ASSEMBLYMAN HOGAN:

A number of hearings are anticipated during the next biennium in areas of interest for southern Nevada that will consume staff time. Those are anticipated to become controversial. The expectation for the needed services of the Division far outpaces the resources made available. This may be a budgetary problem in an area of great importance. I would hate to find the Division so understaffed in one or one and one-half years that these important programs cannot be accomplished.

ASSEMBLYWOMAN LESLIE:

I share my colleague's concern. The Division performance indicators are interesting and understandable. The performance indicator for actions taken on the backlog had projected 380 actions but 834 actions were performed. Was that in response to the additional resources authorized for the Division in the 74th Legislative Session? What is the current status of the backlog?

MR. KING:

The backlog is half of what it was five years ago. We were approaching a backlog of nearly 4,000 and now the backlog is slightly over 2,000. That effort was largely a part of the 11 positions approved in the 74th Legislative Session.

ASSEMBLYWOMAN LESLIE:

If the 11 positions are now removed, the backlog will grow again.

MR. KING:

That is correct.

ASSEMBLYWOMAN LESLIE:

Do you have a projection of what the backlog will be in two years if the 11 positions are lost?

MR. KING:

I do not. There are no more "low-hanging fruit" cases to be acted upon.

ASSEMBLYWOMAN LESLIE:

Is there a plan, if this portion of the budget is rebuilt, for what should be considered as priorities, especially as concerns the backlog situation? I would request a plan be provided for the Subcommittee.

MR. KING:

I will comply.

ASSEMBLYWOMAN LESLIE:

The Division has done a good job. If the 11 positions are lost, will the Division meet the Legislative time frames?

MR. KING:

I believe we will still meet those time frames.

ASSEMBLYWOMAN LESLIE:

I have received good feedback about the Division Website. There have been large improvements in customer response within the Division in the past few years, both on the telephone and on the Website. If the information technology (IT) professional position is removed, what will that mean in terms of public response?

MR. KING:

No one likes to lose personnel. The remaining IT staff is excellent. Although there is still information the Division wants to place on the Website, it is currently in more of an upkeep mode. The position loss may not have an adverse impact on the Website.

ASSEMBLYWOMAN LESLIE:

I want to be clear as to what will be lost if the 11 positions are eliminated. Will the Division retain the ability to address public requests on the telephone?

MR. KING:

Yes, we will. It goes hand in hand with the Website. The Website has a frequently-asked questions section. Much of the information is now online and the Website has reduced the number of telephone calls to the Division.

ASSEMBLYMAN HOGAN:

A bill was passed in the 74th Legislative Session to emphasize that conservation pricing should be a major element of water policies. How does the Division envision its role in promoting tiered pricing in water-conservation techniques? Many large water companies do not use the power of that technique and further legislation may be forthcoming to tighten the requirements for compliance.

MR. KING:

The *Nevada Revised Statutes* (NRS), chapter 540, is the chapter that guides the water planning efforts of the Division. The primary role of the Division in regards to water-conservation plans is to review, analyze and comment and offer feedback to local governments. One area of review is to ascertain the NRS requirements are met. Those include the plan to increase public awareness of the need to conserve water: does it increase the use of effluent where

applicable and do they have a variable-pricing analysis. These are examples of what the Division considers.

MR. BIAGGI:

The Division is not directly involved with water pricing of the local entities. Pricing structures are not within their statutory scope. Those pricing structures are the purview of the local municipalities.

MR. KING:

Many of the key budget points have already been mentioned. The staff eliminations reduce the number of engineering technician staff with duties of water-right ownership by approximately 40 percent. It eliminates three engineering positions, three clerical staff and two water planning staff positions.

The Division is receiving an appropriation for approximately \$150,000 in FY 2008-2009 and \$24,000 in FY 2010-2011 for repair, maintenance and inspection of the South Fork Dam, a public safety issue.

ASSEMBLYWOMAN LESLIE:

Are the eliminated positions currently filled? Will positions be transferred? We are talking about people with technical skills.

MR. BIAGGI:

The DCNR has been proactive in attempting to find other positions within the Department or within State government for employees who may be displaced by the budget reductions. We are fortunate to have the NDEP within our Department. That Division is primarily funded through fees and federal grants. Through allowing some positions to remain vacant, many of the employees from other General Fund revenue divisions have been moved into the NDEP. We are confident the majority, if not all, of the laid-off employees will find employment elsewhere within the DCNR.

ASSEMBLYWOMAN LESLIE:

It appears the performance indicator for inspection of high-hazard dams has only been 50-percent achieved. With the loss of positions, how will we meet the goal of inspection of all high-hazard dams?

MR. KING:

We are training other engineers within the Division to inspect the dams. There is an internal policy that only a registered professional engineer can inspect the high-hazard dams. There are a limited number of employees in that category. We are using training aids to increase the knowledge of the other engineers.

ASSEMBLYWOMAN LESLIE:

Is it your plan to inspect the remaining dams? Are the dams required to be inspected on a certain schedule, or is the performance indicator for a special inspection?

MR. KING:

We are attempting to inspect all high-hazard dams. The Division policy is to inspect the high-hazard dams annually. The inspection schedule for

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significant-hazard dams is every three years. The inspection schedule for low-hazard dams is every five years.

ASSEMBLYWOMAN LESLIE:
Are there 145 high-hazard dams in Nevada?

MR. KING:
That is correct.

ASSEMBLYWOMAN LESLIE:
The 72 high-hazard dams not inspected in the current biennium have not been inspected for the last two years or only the last year?

MR. KING:
Those 72 dams were not inspected in the last year.

ASSEMBLYMAN HOGAN:
Two positions in the water planning staff are facing elimination. How will the Division cope with the continuing requirement to closely review water planning applications? How many plans must be reviewed each year?

MR. KING:
Mr. Kelvin Hickenbottom, Deputy State Engineer, has assumed those duties into the future. The Division plans to hire another engineer who can assist with those functions as well.

In terms of the quantity of conservation plans reviewed, 102 conservation plans were reviewed during FY 2007-2008.

The remaining portion of [Exhibit G](#) reviews each decision unit in the proposed budget. Much of it goes to Assemblywoman Leslie's question about what happens to the eliminated positions.

Decision unit M-160 eliminates one professional engineer, one staff engineer and one administrative assistant at a savings of \$182,000 for each fiscal year. The registered professional engineer was transferred to the NDEP. The staff engineer and administrative assistant positions were vacant.

M-160 Position Reductions Approved in 07-09 – Page DCNR-84

ASSEMBLYWOMAN LESLIE:
It would be helpful to know what is happening to the duties of the eliminated positions as well. Details of the results of the eliminations of positions can be provided to the LCB staff. It will help us, as the budgets are perhaps rebuilt, to know where the duties have been moved.

MR. KING:
I will provide the information.

ASSEMBLYMAN GOICOECHEA:
At this point, it is clear some of the reductions clearly cannot be made. An amended plan may be needed.

MR. KING:

Decision unit M-504 is an appropriation request of \$126,000 in FY 2009-2010 for a public safety mandate concerning work at the South Fork Dam. The funding provides for inspection of the dam intake structure by underwater divers and the replacement of a hydraulic ram at the intake.

CHAIR WOODHOUSE:

We understand the manufacturer is going to replace the hydraulic ram that has been dysfunctional since its installation. What extra expenses will be incurred because of the installation problem?

MR. KING:

The short story is, the ram replaced one and one-half years ago is the one leaking again. The vendor who supplied the ram has shipped a new one at no cost, as they should. However, the Division is now required to pay the dive costs again for the removal and replacement. The estimated cost of the work is \$70,000. We are not happy about the situation.

CHAIR WOODHOUSE:

Have you requested the vendor to pay the reinstallation costs?

MR. KING:

We have. The Division has requested the deputy attorney general to review what possible recourse exists.

Decision unit M-505 is a public safety mandate for funding to be spent at the South Fork Dam. The South Fork Dam, located south of Elko, is the only dam operated and maintained by the Division.

This appropriation is for a number of maintenance items found on page 10 of [Exhibit G](#). The seismic recorder and alarm will, in the event of an earthquake, indicate the kind of ground accelerations the dam is experiencing. The project cost is \$21,000 in FY 2009-2010 and \$24,000 in FY 2010-2011.

M-505 Mandates – Page DCNR-85

ASSEMBLYWOMAN McCLAIN:

Are mussels present in the South Fork Reservoir?

MR. BIAGGI:

It is my goal to keep mussels out of Nevada. The only place they are present at this time is in the Colorado River System. The DCNR goal is to keep them out of the Truckee River System where they could infest Lake Tahoe and Pyramid Lake.

MR. KING:

Decision unit E-608 eliminates one engineering technician III position in the Elko office. This is the only eliminated position where an employee was laid off. The individual was near retirement, and because of the Department of Personnel rules the agency purchased the remainder of his service at a cost of \$22,000.

E-608 Staffing and Operating Reductions – Page DCNR-85

Decision unit E-609 eliminates one IT technician II position. That incumbent was transferred to the NDF.

E-609 Staffing and Operating Reductions – Page DCNR-86

Decision unit E-611 eliminates one engineering technician IV position in the Las Vegas office. The incumbent was transferred to a non-General Fund position.

E-611 Staffing and Operating Reductions – Page DCNR-86

Decision unit E-612 eliminates one administrative aide position. The incumbent was transferred to the NDEP.

E-612 Staffing and Operating Reductions – Page DCNR-87

Decision unit E-613 eliminates another administrative aide position. That incumbent found employment outside the agency.

E-613 Staffing and Operating Reductions – Page DCNR-87

Decision unit E-615 eliminates one staff engineer position. The incumbent transferred to the floodplain management position which is federally funded at the 75-percent level.

E-615 Staffing and Operating Reductions – Page DCNR-88

Decision unit E-616 eliminates one engineering technician III position. The position was vacant.

E-616 Staffing and Operating Reductions – Page DCNR-88

Decision unit E-617 eliminates one engineering technician III position. The incumbent was transferred to the NDEP.

E-617 Staffing and Operating Reductions – Page DCNR-88

Decision unit E-620 is filled. The incumbent accepted a voluntary 40-percent reduction in her employment.

E-620 Staffing and Operating Reductions – Page DCNR-89

Decision unit E-661 eliminates the microfilming budget for the next biennium at a savings of approximately \$3,100.

E-661 Program Reductions/Reductions to Services – Page DCNR-90

Decision unit E-720 requests funding to purchase a conduit crawler. This is a remote piece of equipment that scales dam conduits, videotapes and takes pictures to establish if the conduit is doing well without having to send a human into a conduit. The expenditure of \$6,500 is allocated from federal dam safety funds.

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E-720 New Equipment – Page DCNR-92

Decision unit E-721 requests a purchase of \$4,600 for a new map case because the agency has exceeded the capacity of existing map cases.

E-721 New Equipment – Page DCNR-92

ASSEMBLYWOMAN LESLIE:

Have the individuals in the positions to be eliminated been transferred prior to budget finalization?

MR. BIAGGI:

In many cases the employees have been transferred. The opportunities presented themselves and the Division felt it was better to place them, even though the budget had not been finalized. Their services were kept within the DCNR.

ASSEMBLYWOMAN LESLIE:

Can those employees be brought back to the Division of Water Resources?

MR. BIAGGI:

Absolutely, we can.

ASSEMBLYWOMAN LESLIE:

Are the positions currently vacant?

MR. KING:

That is correct.

ASSEMBLYWOMAN LESLIE:

This will have an impact on the current budget year in terms of what can be accomplished in the Division.

MR. KING:

That is correct.

ASSEMBLYWOMAN LESLIE:

I understand the agency's position, but I am concerned about the situation.

CHAIR WOODHOUSE:

I share Assemblywoman Leslie's concerns, and I know the agency has concerns as well.

ASSEMBLYMAN GOICOECHEA:

Positions will have to be reinstated. Many of the positions to be eliminated were added during the last Session and now they are all being taken away. The Division has made great strides forward and the Legislature wants to support the agency.

CHAIR WOODHOUSE:

We will now open the hearing on the Division of Conservation Districts.

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DCNR - Division of Conservation Districts – Budget Page DCNR-107 (Volume III)
Budget Account 101-4151

JAMES LAWRENCE (Acting Administrator, Division of Conservation Districts, State Department of Conservation and Natural Resources):

The Division of Conservation Districts has a long history of implementing grass roots, voluntary, locally led conservation programs. Conservation district laws were originally enacted in the 1930s to prevent the recurrence of Dust Bowl conditions.

In addition to soil conservation, resource programs have now expanded to such things as erosion control, water conservation, watershed restoration, noxious weed control, education and natural resource planning. There are 28 conservation districts in Nevada.

The primary mission of the Division is to provide assistance to the 28 districts and facilitate the implementation of projects and programs on the ground. That is reflected in our mission statement and performance indicators.

This budget begins on page DCNR-107 of Volume III of the *Executive Budget*. It represents approximately a 15-percent reduction to the base operations and provides funding for 2.5 FTE positions.

I will direct the Subcommittee to a couple of decision units within the budget.

Decision unit E-606 reduces the administrative assistant position from a full-time position to a 0.5 FTE position.

E-606 Staffing and Operating Reductions – Page DCNR-109

Decision unit E-607 reduces the amount of grant funding from the Division to the 28 conservation districts for the Division to meet its budget targets. The amount is reduced from \$5,000 to \$4,200 for each district.

There are additional budget-reduction decision units in the budget concerning In-State and Out-of-State travel, training and registration fees. Finally, there is a non-General Fund enhancement request.

E-607 Staffing and Operating Reductions – Page DCNR-110

Decision unit E-350 requests authority for the Division to accept gifts or donations up to \$10,000. The Division did not receive any gifts or donations in the base year. In the previous year, the Division received approximately \$5,000 in gifts and donations. These are difficult economic times, and as a Division, we need to focus more effort on securing funds outside the General Fund.

E-350 Environmental Policies and Programs – Page DCNR-109

CHAIR WOODHOUSE:

We will now hear the budget of the Nevada Natural Heritage Program.

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DCNR - Nevada Natural Heritage – Budget Page DCNR-115 (Volume III)
Budget Account 101-4101

JENNIFER NEWMARK (Administrator, Nevada Natural Heritage Program, State Department of Conservation and Natural Resources):

I have provided the Subcommittee with a document detailing the budget for this Program ([Exhibit H](#)).

The mission of the Heritage Program is to maintain comprehensive information on the location, biology and conservation status of all endangered, threatened, sensitive and at-risk species in the State. We are a nonregulatory Program located in Carson City with nine FTE positions.

The Program measures its performance on the amount and type of data added to our databases, the formal data requests to which we respond and the number of planning meetings we attend. We have met most of our projected goals.

[Exhibit H](#), pages 4 and 5, identifies the revenue sources and expenditures. Although we are a small agency, we have a complex funding map. Approximately one-half of the funding is derived from the NDOT. The Heritage Program provides information to the NDOT on threatened, endangered and other species of concern. That information assists the NDOT staff in the completion of their environmental and biological assessments as mandated by provisions of the U.S. Environmental Act and the Endangered Species Act. Other sources of revenue for the Program include federal and State grants, the General Fund and database fees.

The bulk of expenditures are related to personnel. Our budget will decrease during the next biennium. Although there are some reductions in the General Fund revenues, the bulk of the changes are due to grants and contracts that will expire over the next few years.

On page DCNR-117 of the *Executive Budget*, decision unit M-160 eliminates the environmental scientist position. This position was funded 50 percent by the General Fund and 50-percent funded by the federal Land and Water Conservation Funds. The federal funds were expected to expire in early FY 2008-2009 and dovetail with the Program's need to reduce our General Fund expenditures. The incumbent was able to transfer to another position within the Department. Prior to his transfer, a report summarizing priority wetlands within the State was completed. Further wetland planning and prioritization will not be undertaken by our agency. In addition, the position was administering the development of a Springs Conservation Fund that was separately funded through the Q1 bonding fund of the NDEP. This project is ongoing and oversight has been assigned to other agency personnel.

M-160 Position Reductions Approved in 07-09 – Page DCNR-117

There are two other enhancement requests. Decision units E-350 and E-351 go hand in hand. This request is to fully fund the data manager position with NDOT funds and commit all fees generated by processing of the requests to be reverted to the NDOT at the end of each fiscal year. The Program has received

approval from the NDOT to submit the request. The letter of approval is attached to [Exhibit H](#).

The Heritage data manager responds to all data requests. The position is currently funded primarily through the NDOT with the exception of \$12,904, which is assumed to be generated by database fees. Should the program not generate the required funding in database fees, the position would be subjected to a temporary layoff, disrupting access to the data and potentially causing significant delays to the environmental studies required for the NDOT projects. By providing full funding from the NDOT, that situation does not occur.

There is an error in the narrative for the enhancement units. The proportion of funding for the data manager position is incorrect. The correct information is found in [Exhibit H](#).

E-350 Environmental Policies and Programs – Page DCNR-118

E-351 Environmental Policies and Programs – Page DCNR-118

ASSEMBLYWOMAN MCCLAIN:

Is there a memorandum of understanding (MOU) or an interlocal agreement with the NDOT to specify these proposals?

MS. NEWMARK:

We have a letter from the NDOT and are currently working on a formal MOU to formalize the entire relationship with the NDOT to address not only funding of this position. I will provide the MOU to the Subcommittee when it is complete.

SENATOR RHOADS:

What is the current status of the sage grouse situation?

MS. NEWMARK:

There is a biologist in the Program who is participating in the Sage Grouse Conservation Team. He attends meetings and provides information and support. We are waiting on official word from the U.S. Fish and Wildlife Service on whether or not the species will be listed as endangered.

ASSEMBLYMAN HOGAN:

With the changes in staffing, the Program will no longer have the ability to conduct wetland planning. What impact will that have on the State?

MS. NEWMARK:

A Comprehensive Wetland Conservation Plan was created under our contract for Land and Water Conservation Funds. A priority inventory of the wetlands was conducted. We hope other agencies will have the ability to oversee the implementation of the plan.

MR. DAVIS:

The Division of Water Resources was being kind in saying they will not experience large impacts from the loss of positions. The perspective of environmental and conservation groups, who are members of our coalition, have many concerns. The budget cuts will affect the Division's ability to respond to

the public. Water is a resource that belongs to the people of the State. We would like to see continued services from the Division.

Dealing with endangered and threatened species reaches far beyond listing a species in one of the categories. It has impacts on recreation and economic development in the State. It is in everyone’s best interest to do whatever is possible to enact proper mitigation and enhancement plans.

CHAIR WOODHOUSE:
Seeing no further business or public comment before the Subcommittee, the meeting is adjourned at 10:44 a.m.

RESPECTFULLY SUBMITTED:

Cynthia Clampitt,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

Assemblywoman Kathy McClain, Chair

DATE: _____