

**MINUTES OF THE JOINT MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND THE
SENATE COMMITTEE ON FINANCE**

**Seventy-Sixth Session
May 16, 2011**

The Joint Assembly Committee on Ways and Means and the Senate Committee on Finance was called to order by Chairwoman Debbie Smith at 8:41 a.m. on Monday, May 16, 2011, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/76th2011/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblywoman Debbie Smith, Chairwoman
Assemblyman Marcus Conklin, Vice Chair
Assemblyman Paul Aizley
Assemblyman Kelvin Atkinson
Assemblyman David P. Bobzien
Assemblywoman Maggie Carlton
Assemblyman Pete Goicoechea
Assemblyman Tom Grady
Assemblyman John Hambrick
Assemblyman Crescent Hardy
Assemblyman Pat Hickey
Assemblyman Joseph M. Hogan
Assemblyman Randy Kirner
Assemblywoman April Mastroluca
Assemblyman John Ocegüera

SENATE COMMITTEE MEMBERS PRESENT:

Senator Steven A. Horsford, Chair
Senator Sheila Leslie, Vice Chair
Senator Barbara K. Cegavske
Senator Moises (Mo) Denis
Senator Ben Kieckhefer
Senator David R. Parks
Senator Dean A. Rhoads

STAFF MEMBERS PRESENT:

Rick Combs, Assembly Fiscal Analyst
Mark Krmpotic, Senate Fiscal Analyst
Mike Chapman, Principal Deputy Fiscal Analyst
Rex Goodman, Principal Deputy Fiscal Analyst
Cathy Crocket, Program Analyst
Eric King, Program Analyst
Heidi Sakelarios, Program Analyst
Carol Thomsen, Committee Secretary
Cynthia Wyett, Committee Assistant

Chairwoman Smith indicated that the Committee would commence with review of the budget accounts for the Department of Public Safety.

PUBLIC SAFETY

DEPARTMENT OF PUBLIC SAFETY

DPS – FIRE MARSHAL (101-3816)

BUDGET PAGE PUBLIC SAFETY-131

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that she would review the major closing issues in Budget Account (BA) 3816. The first closing issue was the organizational consolidation of the State Fire Marshal Division with the Division of Emergency Management (DEM). The Governor recommended the operational integration of the DEM and the State Fire Marshal Division. The State Fire Marshal Division indicated the consolidation would allow for united service delivery to public safety and emergency management organizations, as well as to the public. The position of deputy administrator of DEM (BA 3673) was recommended for elimination as part of the integration, which would result in General Fund savings of \$54,970 in the 2011-2013 biennium.

Ms. Crocket indicated that the State Fire Marshal Division provided administrative guidance to the State Emergency Response Commission (SERC), and DEM was currently operationally integrated with the Office of Homeland Security. Therefore, the integration of DEM and the State Fire Marshal Division would result in four programmatic areas under one organizational structure, including the State Fire Marshal Division, DEM, Homeland Security, and SERC.

According to Ms. Crocket, testimony at the joint subcommittee budget hearing on February 18, 2011, indicated that the integration had been developed to consolidate the operations of areas with similar disciplines to create efficiencies in service delivery. In addition, State Fire Marshal Division staff could provide additional staff as needed for the State Emergency Operations Center, which was activated by DEM during emergency disaster incidents.

Ms. Crocket said the budget accounts for each division would remain separate. The deputy administrator position for each program would be eliminated, and existing State Fire Marshal Division staff would continue to report to the Fire Marshal, and DEM and Homeland Security staff would continue to report to the Administrator of DEM.

The decision, said Ms. Crocket, was whether the Committee wished to approve the operational integration of the State Fire Marshal Division, the Division of Emergency Management, Homeland Security, and the State Emergency Response Commission as recommended by the Governor.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN HAMBRICK MOVED APPROVAL OF THE INTEGRATION OF THE STATE FIRE MARSHAL DIVISION, THE DIVISION OF EMERGENCY MANAGEMENT, HOMELAND SECURITY, AND THE STATE EMERGENCY RESPONSE COMMISSION AS RECOMMENDED BY THE GOVERNOR.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the vote.)

The next major closing issue, said Ms. Crocket, was the Governor's recommendation to eliminate six positions, or approximately 22 percent of the State Fire Marshal Division's staff, for a total savings of \$1 million over the 2011-2013 biennium, including \$550,409 in General Funds.

Ms. Crocket stated that decision units Enhancement (E) 607 and E690 recommended elimination of four Department of Public Safety (DPS) officer positions, which would result in a substantial reduction of fire, arson, and regulatory compliance investigations, and would eliminate the majority of the State Fire Marshal Division's capability to perform fire and life-safety inspections. The position eliminations would also negatively affect the capability of the agency to assist the DPS with law enforcement activities. The recommendation, together with decision unit E606, would decrease the Division's total number of sworn staff by 45 percent, from 11 positions to 6 positions. Ms. Crocket noted that 2 positions were currently filled and 2 were vacant. The recommended position eliminations would result in a savings of \$642,129 over the 2011-2013 biennium, including \$485,225 in General Funds.

Ms. Crocket indicated that the National Fire Incident Reporting System (NFIRS) category would be eliminated in decision unit E690, and because of that elimination, the State Fire Marshal Division would no longer print a report containing NFIRS data and would no longer travel to agencies who did not report data to the NFIRS system. However, in response to inquiries from Fiscal Analysis Division staff, the State Fire Marshal Division indicated it would continue to receive data for NFIRS from other entities and would prepare a report that would be available online.

The decision, said Ms. Crocket, was whether the Committee wished to approve decision units Enhancement (E) 607 and E690, which would eliminate four DPS officer positions as recommended by the Governor.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

SENATOR PARKS MOVED APPROVAL OF DECISION UNITS
ENHANCEMENT (E) 607 AND E690 AS RECOMMENDED BY THE
GOVERNOR.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the
vote.)

Continuing, Ms. Crocket stated the next major closing issue was decision unit Enhancement (E) 606, which recommended elimination of the Assistant Fire Marshal, a filled DPS captain's position. That elimination would result in increased administrative and supervisory work for the Fire Marshal and the Lieutenant and would generate savings of \$265,593 over the 2011-2013 biennium, including \$42,462 in General Funds. In support of the elimination, the State Fire Marshal Division indicated it had decreased from 38 positions in fiscal year (FY) 2007 to 21 positions after the Governor's recommended position eliminations. With the recommended elimination of the Assistant Fire Marshal, the organizational structure of the State Fire Marshal Division would flatten out, and the management level would be more appropriate for the remaining size of the organization.

The decision, said Ms. Crocket, was whether the Committee wished to approve the Governor's recommendation to eliminate the Assistant Fire Marshal position.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN CONKLIN MOVED APPROVAL OF DECISION UNIT
ENHANCEMENT (E) 606 AS RECOMMENDED BY THE GOVERNOR.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the
vote.)

Ms. Crocket indicated that the next major closing issue was decision unit Enhancement (E) 608 that recommended the elimination of one vacant training officer position, which would result in the elimination of a dedicated training coordinator in southern Nevada. The position elimination would result in savings of \$122,386 over the 2011-2013 biennium, including \$22,722 in General Funds. The State Fire Marshal Division had verbally indicated to Fiscal Analysis Division staff that it anticipated being able to provide the required level of standard firefighter training as required by *Nevada Revised Statutes* (NRS) after the Governor's recommended position eliminations.

The decision, said Ms. Crocket, was whether the Committee wished to approve the elimination of one training officer position, as recommended by the Governor.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN HARDY MOVED APPROVAL OF DECISION UNIT
ENHANCEMENT (E) 608 AS RECOMMENDED BY THE GOVERNOR.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the
vote.)

Ms. Crocket stated that the next major closing issue was decision unit Enhancement (E) 251, which recommended a partial modification of the State Fire Marshal Division's fee schedule, which would result in additional fee revenue of \$43,588 in each year of the 2011-2013 biennium. The additional fee revenue would be used to replace General Funds in the same amount. The State Fire Marshal Division indicated that the current fee schedule set forth in Chapter 477 of the *Nevada Administrative Code* (NAC) allowed a reduced fee for certain combined license types; however, enabling language did not exist in Chapter 477 of NAC to allow for reduced fee rates for combined license types.

Ms. Crocket noted that the Governor had frozen proposed regulations with Executive Order 2011-01, and the State Fire Marshal Division indicated that the change might be allowed under an exemption for public safety included in Executive Order 2011-04. Fiscal Analysis Division staff asked the State Fire Marshal Division to confirm that the Governor had indicated that the proposed changes would be allowed. However, the State Fire Marshal Division had been unable to provide assurance that the Governor had consented to the fee increases. Because of the State Fire Marshal Division's inability to provide information substantiating the Governor's consent to the modification of the agency's regulations, it appeared there was doubt about whether the proposed fee increases would be allowed. If the proposed fee increases were not approved, the State Fire Marshal Division would be underfunded by \$43,588 in each year of the biennium, a 2 percent overall funding shortfall.

Ms. Crocket noted that Fiscal Analysis Division staff had completed technical adjustments, which would reduce General Funds by \$60,450 in fiscal year (FY) 2012 and \$48,971 in FY 2013. The technical adjustments were sufficient to offset the General Fund add-back necessary if decision unit E251 was not approved.

The decision, said Ms. Crocket, was whether the Committee wished to approve one of the following options:

- a. Approve the Governor's recommendation to replace General Funds of \$43,588 in each year of the upcoming biennium with additional fee revenue, with the understanding that the Governor would need to allow the adoption of regulations to increase the fees to carry out his budget recommendation.
- b. Disapprove the Governor's recommendation to replace General Funds of \$43,588 in each year of the upcoming biennium, which would require a \$43,588 General Fund add-back in each year of the upcoming biennium.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion to approve the Governor's recommendation.

SENATOR KIECKHEFER MOVED APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO REPLACE GENERAL FUNDS WITH ADDITIONAL FEE REVENUE, AS DEPICTED IN DECISION UNIT ENHANCEMENT (E) 251, CONTINGENT UPON THE ADOPTION OF REGULATIONS TO INCREASE FEES.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the vote.)

Ms. Crocket stated in its February 2, 2011, presentation to the Legislative Commission's Budget Subcommittee, the State Fire Marshal Division indicated that some statutory responsibilities would be shifted to local governments and the State Public Works Board (SPWB), including inspection of state buildings. In initial discussions with the Department of Public Safety (DPS), the State Fire Marshal Division indicated that all plan reviews and annual fire safety inspections for state buildings would be transferred to SPWB. Pursuant to *Nevada Revised Statutes* (NRS) 477.035, the State Fire Marshall Division must inspect or cause to be inspected all state buildings annually.

However, said Ms. Crocket, in response to questions from the joint subcommittee, the SPWB and the State Fire Marshal Division clarified that responsibility for the annual building fire safety inspections would remain with the State Fire Marshal Division. The SPWB Facility Condition Analysis staff would assist the State Fire Marshal Division with the annual building fire safety

inspection requirement by completing the fire inspections for state-owned facilities.

Ms. Crocket stated that on an annual basis and with its current staffing level, the State Fire Marshal Division inspected 100 percent of state-owned buildings in rural areas, approximately 70 percent of state-owned buildings in Washoe County, and approximately 20 percent of state-owned buildings in Clark County. Combining the State Fire Marshal's resources with SPWB would maintain the percentage of state-owned buildings inspected. However, the State Fire Marshal Division indicated that even with the assistance of SPWB, all state-owned buildings would still not receive the required annual fire safety inspection.

Ms. Crocket said the State Fire Marshal Division indicated that it was currently developing a plan to prioritize the inspection of state buildings based on occupancy and perceived risk, but Fiscal Analysis Division staff had not received a copy of the plan. However, Assembly Bill 526, currently being heard by the Assembly Committee on Ways and Means, would repeal NRS 477.035, which now required the State Fire Marshal Division to inspect or cause to be inspected all state-owned buildings annually. The State Fire Marshal Division informally advised Fiscal Analysis Division staff that it intended to propose an amendment to A.B. 526 to modify rather than repeal NRS 477.035. It appeared to Fiscal Analysis Division staff that the State Fire Marshal Division would be unable to meet the requirements of NRS 477.035 during the 2011-2013 biennium with the staffing levels recommended by the Governor, if A.B. 526 was not approved and the annual inspection requirement was not eliminated.

Ms. Crocket indicated that the Committee might wish to issue a Letter of Intent to the State Fire Marshal Division requiring the agency to report to the Interim Finance Committee (IFC) the number and percentage of state-owned building inspections completed during each year of the upcoming biennium, as well as providing a plan to prioritize the inspections of state-owned buildings.

The decision, said Ms. Crocket, was whether the Committee wished to issue a Letter of Intent to the State Fire Marshal Division that required annual reporting regarding state-owned building fire inspections.

ASSEMBLYMAN BOBZIEN MOVED THAT THE COMMITTEE ISSUE
A LETTER OF INTENT TO THE STATE FIRE MARSHAL
DIVISION THAT REQUIRED ANNUAL REPORTING REGARDING
STATE-OWNED BUILDING FIRE INSPECTIONS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the vote.)

Ms. Crocket indicated that other closing items included decision unit Enhancement (E) 250, which replaced General Funds totaling \$31,704 over the 2011-2013 biennium with transfers from the Nevada Department of Environmental Protection and the State Emergency Response Commission (SERC) for standard firefighter training; the recommendation appeared reasonable to Fiscal Analysis Division staff.

Ms. Crocket stated that decision unit Enhancement (E) 900 transferred-in General Funds of \$19,627 over the 2011-2013 biennium from the Division of Investigations for rental costs. The State Fire Marshal Division indicated that decision unit E500, as recommended by the Governor, was in error and the net effect of decision unit E500 should be zero. Fiscal Analysis Division staff had completed technical adjustments to correct decision unit E500, which resulted in General Fund savings of \$19,627 over the biennium. The recommendation appeared reasonable with the noted technical adjustment.

Ms. Crocket indicated that decision unit Enhancement (E) 693 reduced funding by \$6,364 over the 2011-2013 biennium, including \$3,182 in General Funds, to eliminate travel associated with the elimination of the Fire Service Standards and Training Committee. The recommendation appeared reasonable.

Ms. Crocket said decision unit Enhancement (E) 901 transferred \$11,062, including \$3,540 in General Funds, to the SERC account for the SERC's share of rent at the State Fire Marshal's Jacobsen Way office, and the recommendation appeared reasonable.

Ms. Crocket stated that Fiscal Analysis Division staff had worked with the State Fire Marshal Division to revise its fee revenue projections for the upcoming biennium, which resulted in a General Fund savings of \$60,852 in FY 2012 and \$49,128 in FY 2013.

Ms. Crocket said the State Fire Marshal Division indicated that an increase in Plan Review receipts was possible based upon year-to-date receipts, and it would be necessary to increase the Contract Plan Review category to fund the additional plan review work associated with the increased revenue. Fiscal Analysis Division staff would seek authority for technical adjustments to increase Plan Review revenue and the Contract Plan Review category.

Ms. Crocket noted that Fiscal Analysis Division staff also sought authority to make changes to the amounts allocated under the internal cost allocations based on final approval of the budget accounts of the Department of Public Safety, as well as to adjust the fund mapping of the cost allocation as appropriate.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN CONKLIN MOVED APPROVAL OF DECISION UNITS ENHANCEMENT (E) 250, E500, E900, E693, AND E901 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the vote.)

BUDGET CLOSED.

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Assemblyman Ocegura pointed out that the Committee had just decimated the entire budget for the State Fire Marshal Division, thereby cutting public safety to the "bone." The action of the Committee would eliminate the inspection of public buildings, with the exception of those that could be inspected with the help of the State Public Works Board (SPWB). Assemblyman Ocegura pointed out that in the past the state had experienced a food preparation problem because kitchen inspections were only occurring every three to five years, and he believed similar problems involving fire inspections could arise in state-owned buildings because of the lack of State Fire Marshal Division inspections.

Chairwoman Smith thanked Assemblyman Ocegura for his statement and asked Ms. Crocket to continue her presentation.

PUBLIC SAFETY
DEPARTMENT OF PUBLIC SAFETY
DPS – DIVISION OF INVESTIGATIONS (101-3743)
BUDGET PAGE PUBLIC SAFETY-92

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that there were three major closing issues in Budget Account (BA) 3743.

The first issue, said Ms. Crocket, was the recommendation to close the Las Vegas office of the Investigation Division, for a General Fund reduction of \$2.17 million over the 2011-2013 biennium. The total reduction was \$2.29 million and the balance of the total savings was in Highway Funds. However, The Executive Budget incorrectly reduced Highway Funds for decision unit Enhancement (E) 691. It appeared to Fiscal Analysis Division staff that the General Fund should benefit from the entire reduction, and the Budget Division concurred with that assessment. Additionally, said Ms. Crocket, staff had completed technical adjustments to align expenditures eliminated in decision unit E691 with actual expenses associated with the Las Vegas office and to adjust the amount of terminal payout because of retirements, providing additional General Fund savings of \$105,729 over the 2011-2013 biennium. Fiscal Analysis Division staff had also completed technical adjustments, eliminating overtime reimbursement revenues and expenditures. After those technical adjustments, the savings for decision unit E691 totaled \$2.5 million over the biennium.

Ms. Crocket indicated that 12 positions would be eliminated with the closure of the Las Vegas office, including 4 officers, 3 criminal investigators, 2 administrative assistants, 1 sergeant, 1 lieutenant, and 1 captain. Nine of the positions were currently filled. The Department of Public Safety (DPS) indicated that discussions had taken place with the Division of Parole and Probation (P&P) and the Nevada Highway Patrol (NHP) regarding the possibility of transferring the positions recommended for elimination to vacant positions within NHP and P&P. Ms. Crocket said P&P indicated vacancies were unlikely, given the Governor's recommended staffing reductions for P&P. Conversely, said Ms. Crocket, NHP had a number of vacancies in its Las Vegas office and it was possible that sworn personnel from the Investigation Division could transfer to NHP.

Three Investigation Division positions would remain in Las Vegas, said Ms. Crocket, including one DPS officer who conducted polygraph testing and was currently located at the Las Vegas P&P office. Two Highway Funded

positions—one DPS officer 2 and one criminal investigator—would also remain in Las Vegas.

Ms. Crocket stated that seven of the positions recommended for elimination were assigned to multijurisdictional task forces in Las Vegas. The remaining five positions provided supervision and administrative support for the Las Vegas office and other regions of the state. Ms. Crocket referenced the chart on page 22 of Closing List #22 ([Exhibit C](#)), which depicted the various task forces in which NDI would no longer participate if the closure of the Las Vegas office was approved.

Ms. Crocket said the Division indicated that the joint task forces in Las Vegas would continue to provide homeland security and narcotics and investigation activities in the Las Vegas area if the Division were to withdraw from the task forces. The Division would, however, lose dedicated liaisons with those task forces, some of which currently served as information sources for the Nevada Threat Analysis Center. Therefore, said Ms. Crocket, it appeared that the task forces in Las Vegas would continue to function without the Division's participation, and the loss to the State would be from a loss of information sharing and from reduced federal forfeiture income.

However, said Ms. Crocket, in the rural areas of the state the Division played a supervisory role in task forces, and the Division indicated that cross-jurisdictional coordination among rural law enforcement agencies was limited. The Division indicated that the rural narcotics task forces would likely no longer exist if the Division did not manage the task forces, which would result in limited narcotics enforcement over large geographical areas of the state. Consequently, said Ms. Crocket, DPS asserted that the Governor's recommendation to close the Las Vegas office was more appropriate than reducing support for the rural task forces.

Ms. Crocket stated that during the budget hearing on March 3, 2011, the joint subcommittee expressed interest in knowing the cost to add back some positions that had been recommended for elimination. The table on page 23 of [Exhibit C](#) showed the estimated costs, as provided by the Division and adjusted by Fiscal Analysis Division staff, to restore positions to the Division's Las Vegas office. Ms. Crocket stated that the positions had been prioritized by the Division according to the activities performed by each position. The Division indicated that up to five restored positions could be located at the Las Vegas P&P office; however, if more than five positions were restored, the Division would need additional funding for office space rental costs.

During the March 31, 2011, work session, said Ms. Crocket, the joint subcommittee expressed interest in an option to restore some positions to the Las Vegas area and eliminate positions in other areas of the state. At current staffing levels, the Division stated it would not be possible to continue participation in the task forces if positions were eliminated. According to the Division, staffing reductions in the rural task forces could compromise officer safety, and to reduce funding in other areas to restore positions in Las Vegas would require the elimination of a task force. Ms. Crocket stated that to restore four positions in Las Vegas, the Division indicated its preference would be to close the Ely office, thereby eliminating the state's participation in, and management of, the Eastern Nevada Narcotic Task Force.

Ms. Crocket said DPS reported that closure of the Division's Ely office would be its preference. Four positions would be eliminated, including two DPS officers, one sergeant, and one administrative assistant; three of the positions were currently filled. The Ely office location was shared with NHP, Budget Account (BA) 4713, and the Motor Carrier Safety Assistance Program, BA 4721. Ms. Crocket stated that rental costs for the entire office space, as well as utility costs, would need to be absorbed by NHP at an additional Highway Fund cost of \$37,122 over the 2011-2013 biennium. Closing the Ely office would result in General Fund savings totaling \$740,592 over the 2011-2013 biennium.

According to Ms. Crocket, the Ely office staffed the Eastern Nevada Narcotic Task Force, which conducted narcotics investigations in Eureka, Lincoln, and White Pine Counties. Those three counties relied on the task force for their narcotics investigation activities. Two Lincoln County and two White Pine County sworn officers also participated in the task force. Ms. Crocket stated that the White Pine County officers were funded by a federal Justice Assistance Grant to participate in the task force. The DPS indicated that it was possible Justice Assistance Grant funding for the White Pine County positions would be lost because of the elimination of the task force because White Pine County did not have the resources to operate the entire task force. Ms. Crocket said closure of the Ely office would also affect narcotics operations statewide, with the loss of intelligence sources in the Ely area. Additionally, the closure would increase the Division's response time to requests for assistance from other DPS agencies or local law enforcement agencies because officers would be deployed from other regions.

Ms. Crocket stated that with the savings generated by closing the Ely office, four positions could be maintained in Las Vegas, including one criminal investigator, one DPS officer, one sergeant, and one administrative assistant, as prioritized by the agency. The DPS officer and the criminal investigator would

be assigned to the Drug Enforcement Administration (DEA) Tactical Diversion Task Force and the Child Sexual Predator Program. The sergeant position would provide supervision to the restored positions, as well as the three other positions in Las Vegas that were not recommended for elimination. The administrative assistant position would provide support to the Las Vegas sworn staff, as well as the Division's Mesquite office.

Ms. Crocket said the Division indicated that significant forfeiture funds could be related to the restoration of the DEA Tactical Diversion Task Force position. However, the DPS was unable to provide an amount of forfeiture funding that was attributable to a specific position because forfeiture funds were not collected by DPS until the lengthy process of adjudication had been completed. The total cost to restore the positions to the Las Vegas office would be approximately \$789,665 over the 2011-2013 biennium. Therefore, said Ms. Crocket, closing the Ely office and restoring four positions to the Las Vegas office would require a General Fund add-back totaling \$49,073 over the 2011-2013 biennium.

Ms. Crocket said the Committee might wish to choose one of the following options:

- a. Approve the Governor's recommendation to close the Division's Las Vegas office for a savings of \$2.5 million over the 2011-2013 biennium, with the elimination of 12 positions.
- b. Approve the closure of the Division's Ely office and a partial restoration of the Las Vegas office. Four positions would be eliminated from Ely and four positions would be restored to Las Vegas. The option would require a General Fund add-back of \$49,073 over the 2011-2013 biennium.
- c. Add back positions to the Las Vegas office and keep the Ely office open as well. If the Committee chose that option, Fiscal Analysis Division staff would suggest adding back positions according to the prioritized chart on page 23 of [Exhibit C](#).
- d. Disapprove the Governor's recommendation to close the Division's Las Vegas office. That option would require additional General Funds of \$2.3 million over the 2011-2013 biennium.

Senator Rhoads asked about the performance of the Division's Ely office regarding drug investigations and seizures. Ms. Crocket said she would defer the answer to the Division.

Elizabeth Conboy, Chief, Department of Public Safety, Investigation Division, said that as far as actual cases investigated, the Ely office was not the Division's highest producing office; however, the Ely office did cover a large geographical area.

Assemblyman Goicoechea believed the Ely office was one of the primary regions in the state regarding actual drug seizures and confiscations. Ms. Conboy said each region was different, and she did not think Ely was one of the primary areas for seizures of either cash or drugs. Ms. Conboy said that over the past year, Ely was one of the highest areas for seizure of marijuana.

Assemblyman Goicoechea said the Division predominantly dealt with drug seizures in the Ely area because of the remoteness of the area and because of the reduced staffing levels for local law enforcement agencies. Ms. Conboy agreed and stated that last year Lincoln County had eradicated the highest number of marijuana plants in the state.

Assemblyman Hogan said he was afraid the Committee was in the process of also decimating the capabilities of the criminal investigation and enforcement agencies. It made him nervous that the Committee was entering into areas where the public absolutely assumed the government would provide enforcement, particularly in response to known criminal threats and known drug threats. Assemblyman Hogan said it was one thing to trim the budget in areas that were inefficient or wasteful, but it was quite another to make budget cuts in areas where the public assumed and depended on the government for certain actions. In the rush to save General Funds, Assemblyman Hogan believed the Legislature was, to some extent, putting every Nevadan and visitor in some degree of jeopardy.

Assemblyman Hogan stated that closing the Division's Las Vegas office could be deemed by the press or the travel industry as adding an element of danger to the area, thereby affecting the economy far more than the money saved by the reductions. Assemblyman Hogan thought the Committee was on the verge of addressing the revenue side of the problem, which might offer an opportunity to reduce the need for such extremely harmful budget reductions.

Chairwoman Smith asked whether there was further discussion or comments, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN GOICOECHEA MOVED APPROVAL OF THE
GOVERNOR'S RECOMMENDATION TO CLOSE THE
INVESTIGATION DIVISION'S LAS VEGAS OFFICE.

SENATOR CEGAVSKE SECONDED THE MOTION.

Senator Leslie said she served on the joint subcommittee that reviewed the Division's budget, and she would not support the motion. Senator Leslie believed that closing the Division's Las Vegas and Ely offices would be a mistake. Elimination of the Ely office would be like "opening the gate" for drug trafficking, and while she appreciated the comments about understaffing of law enforcement agencies in rural areas, the Washoe County Sheriff's Department was considering closure of at least half of the jail facility because of budget constraints. Senator Leslie said that during a time of possible increased terrorism, she believed it would be a major mistake to close the Division's offices.

Assemblyman Goicoechea said he understood that there were budget cuts across the board for all counties. He opined that it was a balancing act regarding available resources, and clearly the Las Vegas Metropolitan Police Department had far greater resources available than either White Pine or Lincoln County. He realized that there were drug problems throughout the state.

Chairwoman Smith called for a vote on the motion currently before the Committee to approve the Governor's recommendation to close the Investigation Division's Las Vegas office, which had been seconded by Senator Cegavske.

THE MOTION CARRIED, WITH ASSEMBLYMEN AIZLEY, CONKLIN
AND HOGAN, AND SENATORS LESLIE AND PARKS VOTING NO.
(Senator Horsford was not present for the vote.)

Continuing her presentation, Ms. Crocket said the Governor recommended eliminating one filled administrative services officer position for a savings of \$158,250 over the 2011-2013 biennium, including \$149,839 in General Fund. However, The Executive Budget incorrectly reduced Highway Funds for decision unit Enhancement (E) 694, and the General Fund should account for the entire savings. Therefore, Fiscal Analysis Division staff had completed technical adjustments to total General Fund savings for decision unit E694 of \$158,406 over the 2011-2013 biennium.

Ms. Crocket said the elimination of the administrative services officer position was part of the Department of Public Safety's (DPS) consolidation of fiscal and administrative positions within the Director's Office, Budget Account (BA) 4706. Ms. Crocket noted that the Committee had previously approved the consolidation of fiscal and administrative positions within the Director's Office account.

The decision, said Ms. Crocket, was whether the Committee wished to approve the Governor's recommendation to eliminate one administrative services officer position for a General Fund savings of \$158,406 over the 2011-2013 biennium, consistent with its decision in closing the Director's Office budget account.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

SENATOR PARKS MOVED TO APPROVE DECISION UNIT
ENHANCEMENT (E) 694 TO ELIMINATE ONE ADMINISTRATIVE
SERVICES OFFICER POSITION AS RECOMMENDED BY THE
GOVERNOR.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the
vote.)

Continuing, Ms. Crocket explained that the Budget Division requested an adjustment to continue three American Recovery and Reinvestment Act of 2009 (ARRA) grant-funded DPS officer 2 positions, which had been eliminated in the base budget. One officer would be stationed in Carson City and assigned to the Tri-Net Narcotics Task Force, one officer would be stationed in Fallon and assigned to the North Central Nevada Narcotic Task Force, and one officer would be stationed in Winnemucca and assigned to the Eastern Nevada Narcotics Task Force. Ms. Crocket said Fiscal Analysis Division staff had calculated the costs to continue the three positions through May 2012 to total \$257,905. The decision was whether the Committee wished to approve a technical adjustment to continue three ARRA grant-funded officer 2 positions through May 2012.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN CONKLIN MOVED APPROVAL OF A TECHNICAL ADJUSTMENT TO CONTINUE THREE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA) GRANT-FUNDED OFFICER 2 POSITIONS THROUGH MAY 2012.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the vote.)

Ms. Crocket stated that other closing items included decision unit Enhancement (E) 900, which transferred out General Funds of \$19,627 over the 2011-2013 biennium to the State Fire Marshal Division, Budget Account (BA) 3816, for rent costs. The recommendation appeared reasonable.

The next closing item, said Ms. Crocket, was decision unit E902, which transferred out General Funds of \$135,396 over the 2011-2013 biennium to the newly created Evidence Vault, BA 4701. One administrative assistant and operating expenses related to the evidence program would be transferred out. The recommendation appeared reasonable.

Ms. Crocket said decision unit E909 transferred out General Funds of \$5,938 each year of the 2011-2013 biennium to Administrative Services, BA 4714, for rental space costs. The recommendation appeared reasonable.

The next closing item, said Ms. Crocket, was decision unit E911, which transferred out General Funds of \$206,894 over the 2011-2013 biennium to Administrative Services, BA 4714, as part of the Department of Public Safety's recommended centralization of fiscal services. Two positions, including one accounting assistant and one administrative assistant, as well as related operating expenses, would be transferred to the Administrative Services budget account. Because the consolidation of fiscal services was approved by the money committees on April 26, 2011, decision unit E911 should also be approved to complete the consolidation.

Ms. Crocket stated that Budget Amendment A00294 eliminated General Funds of \$3,000 in each year of the 2011-2013 biennium for expenditures related to the Micrographics and Imaging program. The budget amendment appeared reasonable.

Ms. Crocket indicated that the Governor recommended the continuation of the consolidation of the Investigation Division and the Narcotics Control (BA 3744) budget accounts. The item would be discussed in closing document for the Narcotics Control account.

Ms. Crocket stated that Fiscal Analysis Division staff had completed technical adjustments to properly align funding sources with expenditures for decision units E670, E671, and E672. Fiscal Analysis Division staff had also calculated the proper amount of Highway Funds for the account and determined that the total amount of Highway Funds after completing the technical adjustments was \$4,974 less than necessary. Fiscal Analysis Staff had completed technical adjustments to properly align funding sources with expenditures.

According to Ms. Crocket, Fiscal Analysis Division staff completed several technical adjustments that changed the amount of Highway Fund within the Division's account, as previously noted. Therefore, Highway Funds could be further increased to pay for a greater share of the Department of Public Safety's internal cost allocation. Fiscal Analysis Division staff would seek authority to align the funding sources paying the DPS's internal cost allocations to the fund mapping in the account.

Ms. Crocket indicated that The Executive Budget for the Investigation Division account included a total of 64 agency-owned vehicles. Fiscal Analysis Division staff had completed technical adjustments to reduce the number of agency-owned vehicles to 56, for a General Fund savings of \$1,927 in each year of the 2011-2013 biennium, and would seek approval of those technical changes.

Ms. Crocket stated that Fiscal Analysis Division staff would seek authority to make changes to the amounts allocated under the internal cost allocations based upon final approval of the budget accounts of the Department of Public Safety.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN CONKLIN MOVED APPROVAL OF ALL CLOSING ITEMS (DECISION UNITS ENHANCEMENT (E)900, E902, E909, E911), AND BUDGET AMENDMENT A00294, INCLUDING TECHNICAL ADJUSTMENTS, AND INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE ADJUSTMENTS

REGARDING INTERNAL COST ALLOCATIONS AND ALIGNMENT
OF FUNDING SOURCES WITH THE HIGHWAY FUND.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the
vote.)

BUDGET CLOSED.

PUBLIC SAFETY
DEPARTMENT OF PUBLIC SAFETY
DPS – NARCOTICS CONTROL (101-3744)
BUDGET PAGE PUBLIC SAFETY-103

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated the Governor recommended the continuation of the consolidation of the Division of Investigations, Budget Account (BA) 3743, and Narcotics Control, BA 3744. The Governor approved two work programs to consolidate the Investigation Division and the Narcotics Control budget accounts after the 26th Special Session (2010) as an emergency measure pursuant to *Nevada Revised Statutes* (NRS) 353.220, subsection 5, paragraph (a). Ms. Crocket said 25 positions were transferred to the Investigation Division's account from the Narcotics Control account.

Ms. Crocket said the Department of Public Safety (DPS) indicated in the work programs that combining the Investigation Division and the Narcotics Control accounts represented the intent of the 26th Special Session (2010). However, said Ms. Crocket, the narrative explaining the intent to consolidate was not included in the hard copy list of budget reductions received from the Budget Division during the 26th Special Session (2010). Additionally, the requisite decision units did not move the full amount of authority approved by the 2009 Legislative Session for the Narcotics Control account to the Investigation Division, which was the reason two work programs were submitted to complete the consolidation.

Ms. Crocket noted that the Governor recommended the consolidation of the Investigation Division and the Narcotics Control accounts during the 2007 and 2009 Legislative Sessions, but the consolidation was not approved by either Session.

Ms. Crocket stated that the Governor's recommended budget for the Investigation Division's account included significant staffing reductions. Staffing in the Division would decrease from the 71 positions authorized for the current biennium to 50 positions in the 2011-2013 biennium, including 33 sworn positions. That represented a 30 percent decrease in total staffing. Given the level of staffing reductions recommended by the Governor and the number of sworn positions remaining in the Investigation Division's account, it appeared to Fiscal Analysis Division staff that consolidating the Investigation Division and the Narcotics Control accounts was reasonable at this time.

The decision, said Ms. Crocket, was whether the Committee wished to approve the Governor's recommendation to continue the consolidation of the Investigation Division and the Narcotics Control accounts and eliminate the Narcotics Control account.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN HARDY MOVED TO APPROVE BUDGET ACCOUNT (BA) 3744 AS RECOMMENDED BY THE GOVERNOR.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the vote.)

BUDGET CLOSED.

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PUBLIC SAFETY
DEPARTMENT OF PUBLIC SAFETY
DPS – EMERGENCY MANAGEMENT DIVISION (101-3673)
BUDGET PAGE PUBLIC SAFETY-106

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that there were two major closing issues in Budget Account (BA) 3673. The Governor recommended the elimination of the vacant deputy administrator position for a savings of \$219,702 over the 2011-2013 biennium, including \$54,970 in General Funds. The Division of Emergency Management (DEM) indicated that the State Fire Marshal would assume the duties of the eliminated position as part of the recommended operational integration of the

DEM and the State Fire Marshal Division, Budget Account (BA) 3816, and would serve in a dual role as the deputy administrator for DEM as well as the State Fire Marshal.

The decision, said Ms. Crocket, was whether the Committee wished to approve the elimination of the deputy administrator of the Division of Emergency Management for total savings of \$243,320 over the 2011-2013 biennium and technical adjustments completed by Fiscal Analysis Division staff.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN HARDY MOVED APPROVAL OF DECISION UNIT ENHANCEMENT (E) 691, WHICH WOULD ELIMINATE THE VACANT DEPUTY ADMINISTRATOR POSITION, AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the vote.)

Ms. Crocket explained that the next budget issue was funding transfers, decision units Enhancement (E) 251 and E690. The Governor recommended replacing General Fund of \$339,433 over the biennium related to personnel costs with federal funding sources. It appeared that neither federal grant program that was recommended to replace General Funds would require maintenance of effort, and no supplanting issues would exist related to replacing General Funds with federal funds. The DEM indicated that redirecting federal funding from programs to personnel costs would result in reducing subgrants to local governments.

Ms. Crocket said decision unit E251 would realign funding for ten positions for General Fund savings of \$107,374 over the 2011-2013 biennium. The reduction in General Fund included elimination of the deputy administrator position for a savings of \$22,878 over the 2011-2013 biennium, as previously approved by the Committee. Therefore, said Ms. Crocket, the General Fund add-back for decision unit E251 would be \$22,878 over the 2011-2013 biennium.

Decision unit E690, said Ms. Crocket, would replace General Fund support for three other positions, which would save General Funds of \$232,059 over the 2011-2013 biennium. The three positions would be funded with 100 percent federal funding, rather than a 50-50 split between federal funding and General Fund.

The decision, said Ms. Crocket, was whether the Committee wished to approve the replacement of General Fund salary support with federal grant salary support in decision units E251 and E690, as recommended by the Governor, with the adjustment recommended by staff for decision unit E251.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion that included approval for Fiscal Analysis Division staff to make technical adjustments.

ASSEMBLYMAN HAMBRICK MOVED APPROVAL OF DECISION UNITS ENHANCEMENT (E) 251 AND E690 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the vote.)

BUDGET CLOSED.

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PUBLIC SAFETY

DEPARTMENT OF PUBLIC SAFETY

DPS – EMERGENCY MANAGEMENT ASSISTANCE GRANTS (101-3674)

BUDGET PAGE PUBLIC SAFETY-116

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, indicated that there were no major closing issues in Budget Account (BA) 3674. Fiscal Analysis Division staff had completed numerous technical adjustments to reconcile revenues and transfers to other budget accounts. Ms. Crocket stated Fiscal Analysis Division staff would seek authority for the noted technical adjustments.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion that included approval for Fiscal Analysis Division staff to make technical adjustments.

ASSEMBLYMAN HARDY MOVED APPROVAL OF BUDGET ACCOUNT (BA) 3674 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the vote.

BUDGET CLOSED.

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PUBLIC SAFETY
DEPARTMENT OF PUBLIC SAFETY
DPS – CIG FIRE SAFE STD & FIREFIGHTER SUPPORT (000-3819)
BUDGET PAGE PUBLIC SAFETY-144

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that were not major closing issues in Budget Account (BA) 3819, and Fiscal Analysis Division staff recommended closing the account as recommended by the Governor.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

SENATOR PARKS MOVED APPROVAL OF BUDGET ACCOUNT (BA) 3819 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the vote.)

BUDGET CLOSED.

PUBLIC SAFETY
DEPARTMENT OF PUBLIC SAFETY
DPS – JUSTICE GRANT (101-4736)
BUDGET PAGE PUBLIC SAFETY-195

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that there were no major closing issues in Budget Account (BA) 4736. Other closing items included decision unit Enhancement (E) 910, which recommended transferring \$133,964 over the 2011-2013 biennium, including \$17,080 in General Funds, to Administrative Services, Budget Account (BA) 4714. One filled grants and projects analyst position, along with related operating expenses, would be transferred out as part of the centralization of fiscal services within Administrative Services.

Ms. Crocket said because the money committees had already approved the fiscal consolidation in the closing for the Director's Office account, decision unit E910 should also be approved.

Ms. Crocket said decision unit E710 recommended \$2,808 over the 2011-2013 biennium, including \$562 in General Funds, to replace one desktop computer and related software in each year of the upcoming biennium. The recommendation appeared reasonable to Fiscal Analysis Division staff.

Ms. Crocket indicated that Fiscal Analysis Division staff would seek authority to make changes to the amounts allocated under the internal cost allocations and make any appropriate adjustment to the fund-mapping of the cost allocations.

Ms. Crocket indicated that additional information for BA 4736 was the Lexipol contract. In December 2009, the Department of Public Safety (DPS) entered into a contract with Lexipol to produce an online Knowledge Management System containing policy manuals for 132 law enforcement agencies throughout the state. The contract was funded with American Recovery and Reinvestment Act of 2009 (ARRA) funds. The total contract was \$1,415,000 and through March 31, 2011, Lexipol had been paid \$632,000.

Ms. Crocket stated that the original contract specified that Lexipol would produce manuals for 132 law enforcement agencies. However, Lexipol later indicated that it would not be able to produce materials for all 132 law enforcement agencies, so the list was amended and reduced to 68 manuals. However, it appeared that no revision had been made to the total contract amount, even though the agreed-upon deliverables had decreased by almost 50 percent.

According to the March 2011 monthly financial report, said Ms. Crocket, Lexipol had produced only three finalized manuals and the Office of Criminal Justice Assistance had not responded to inquiries from Fiscal Analysis Division staff regarding the Lexipol contract.

Ms. Crocket indicated that Fiscal Analysis Division staff would continue to seek information from the Department of Public Safety regarding the Lexipol contract and might recommend an informational item regarding the issue be included on a future Interim Finance Committee (IFC) agenda.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN CONKLIN MOVED APPROVAL OF BUDGET ACCOUNT (BA) 4736 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR PARKS SECONDED THE MOTION.

Assemblywoman Carlton asked whether the motion included Fiscal Analysis Division staff reporting the status of the Lexipol contract to IFC. Chairwoman Smith explained that no action was required on the informational item regarding the Lexipol contract, and Fiscal Analysis Division staff would bring the issue to IFC at the appropriate time.

THE MOTION CARRIED. (Senator Horsford was not present for the vote.)

BUDGET CLOSED.

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PUBLIC SAFETY
DEPARTMENT OF PUBLIC SAFETY
DPS – JUSTICE ASSISTANCE ACT (101-4708)
BUDGET PAGE PUBLIC SAFETY-202

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated there were no major closing issues in Budget Account (BA) 4708, which had not previously been reviewed by the Committee. Fiscal Analysis Division staff had reduced revenue and expenditure authority for

1122 program fees [federal money to purchase equipment from drug control activity] to align with the five-year average receipts for the program. Ms. Crocket indicated that Fiscal Analysis Division staff would request authority to reduce revenue and expenditure authority for 1122 program fees, and would recommend closing the account as recommended by the Governor with technical adjustments.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

SENATOR PARKS MOVED APPROVAL OF BUDGET ACCOUNT (BA) 4708 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Horsford was not present for the vote.)

BUDGET CLOSED.

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PUBLIC SAFETY
DEPARTMENT OF PUBLIC SAFETY
DPS – JUSTICE ASSIST GRANT TRUST (101-4734)
BUDGET PAGE PUBLIC SAFETY-205

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that there were no major closing issues in Budget Account (BA) 4734, which had not been previously reviewed by the Committee. Fiscal Analysis Division staff had completed technical adjustments to reduce the amount of funding transferred to the Justice Grant account, Budget Account (BA) 4736, and would recommend closing BA 4734 as recommended by the Governor with the noted technical adjustments.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN HARDY MOVED APPROVAL OF BUDGET ACCOUNT (BA) 4734 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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PUBLIC SAFETY
DEPARTMENT OF PUBLIC SAFETY
DPS – FUND FOR REENTRY PROGRAMS (101-4737)
BUDGET PAGE PUBLIC SAFETY-207

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that there were no major closing issues in Budget Account (BA) 4737. The Fund for Reentry Programs account had begun receiving gifts and donations in November 2009, but no expenditures had taken place to date. Ms. Crocket stated that the Department of Public Safety (DPS) was currently in the process of drafting expenditure regulations and working with the Department of Corrections (DOC) to enter into an interlocal agreement that would allow DOC to distribute funds. Ms. Crocket indicated that was an informational item only and no action was required by the Committee regarding the expenditure regulations. Fiscal Analysis Division staff recommended that the account be closed as recommended by the Governor.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

SENATOR LESLIE MOVED APPROVAL OF BUDGET ACCOUNT (BA) 4737 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chairwoman Smith declared the Committee in recess at 9:37 a.m. and reconvened the hearing at 10:01 a.m.; the Chairwoman stated that the Committee would continue budget closure hearings for the Department of Public Safety.

PUBLIC SAFETY
DEPARTMENT OF PUBLIC SAFETY
DPS – TRAINING DIVISION (101-3775)
BUDGET PAGE PUBLIC SAFETY-21

Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said The Executive Budget recommended elimination of the division administrator position for funding reductions totaling \$263,911 for the 2011-2013 biennium via decision unit Enhancement (E) 606.

Mr. King stated that during the Public Safety Joint Subcommittee budget hearing on March 22, 2011, the Department of Public Safety (DPS) testified that the recommendation to eliminate the division administrator position would reduce the Training Division's supervisory staff to a more appropriate level because of the elimination of the Southern Nevada Training Academy, previously approved by the 2009 Legislative Session. Mr. King said the recommended organizational structure included a lieutenant position overseeing the Division and reporting to the DPS deputy director position. In addition, one sergeant position would oversee the Division's academies and other training functions with support from four DPS officer 2 positions, a training officer 1 position, and an administrative assistant position. The Division also indicated that even though no new sworn positions were recommended in the budget accounts for NHP or P&P, the Division planned to hold four academies during the 2011-2013 biennium to address attrition.

Mr. King stated that in response to questions regarding reductions in operating expenses for the recommended position elimination, the Division stated that annual vehicle lease, gasoline, and cell phone costs should have been reduced in the recommendation. Mr. King said if the recommendation to eliminate the division administrator position was approved, Fiscal Analysis Division staff would make an adjustment to reduce vehicle and operating costs by \$7,994 in each year of the 2011-2013 biennium.

The decision, said Mr. King, was whether the Committee wished to approve elimination of the division administrator position for funding reductions totaling \$279,899 for the 2011-2013 biennium, which included adjustments to reduce vehicle and operating costs by \$15,988 over the biennium.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

SENATOR HORSFORD MOVED APPROVAL OF DECISION UNIT ENHANCEMENT (E) 606 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Rhoads was not present for the vote.)

Mr. King stated that decision unit Enhancement (E) 250 recommended reducing General Funds by \$480,202 in the 2011-2013 biennium and replacing those funds with an equivalent amount of Highway Funds because of the training utilization rates of General Fund-supported Parole and Probation Division personnel and Highway Fund-supported Nevada Highway Patrol (NHP) personnel. The recommendation would reduce General Funds for the account from 40 percent to 20 percent and would increase Highway Funds from 60 percent to 80 percent because of an anticipated increase in the number of NHP personnel trained by the Training Division.

Mr. King stated that information included in The Executive Budget indicated that between FY 2008 and FY 2010, 23 percent of all positions that had received training from the Division had been supported with General Funds. Also, approximately 23 percent of the cadets who attended the only academy completed in FY 2011 were supported by General Funds and the remainder were supported by Highway Funds. Considering the actual training use rates during the last three fiscal years and that the 2011-2013 biennium training use rates would not be known until the end of the biennium, Mr. King said the recommendation to fund the account with 20 percent General Funds and 80 percent Highway Funds appeared reasonable.

The decision, said Mr. King, was whether the Committee wished to approve reducing General Funds for the account from 40 percent to 20 percent, and increasing Highway Funds from 60 percent to 80 percent for a General Fund reduction totaling \$480,202 in the 2011-2013 biennium.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

SENATOR PARKS MOVED APPROVAL OF DECISION UNITS ENHANCEMENT (E) 250, E800, AND E801 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Rhoads was not present for the vote.)

BUDGET CLOSED.

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PUBLIC SAFETY
DEPARTMENT OF PUBLIC SAFETY
DPS – CRIMINAL HISTORY REPOSITORY (101-4709)
BUDGET PAGE PUBLIC SAFETY-146

Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated the first closing issue in Budget Account (BA) 4709 was Budget Amendment A00277. On April 15, 2011, the Budget Division submitted an amendment to The Executive Budget that would add \$400,000 in federal Justice Assistance Grant transfer authority in fiscal year (FY) 2012 to complete a study of the Department of Public Safety (DPS) applications developed using the Usoft platform. The study would develop recommendations to be incorporated into the agency's 2013-2015 biennium budget for replacement of the remaining DPS applications that used the Usoft platform. The DPS stated the Usoft platform was over 15 years old and was no longer supported by its manufacturer.

Mr. King stated that DPS applications using the Usoft platform that currently did not have a replacement plan were:

- The Computerized Criminal History system used by the DPS Records Bureau and statewide law enforcement.
- The Offender Tracking Information system used by the Division of Parole and Probation, the Parole Board, and the Department of Corrections.
- The Temporary Protection Order system used by courts statewide and the DPS Records Bureau.

Although an estimated cost and work schedule for replacement of the Usoft platform was unknown at the present time, Mr. King said DPS was anticipating a multimillion dollar, multiyear project because of the experience of other states that had completed significant upgrades and replacements of legacy criminal history repositories. In addition, DPS indicated that large information technology projects of that nature had proven difficult to plan and initiate in the past. Mr. King stated to address that concern, the recommendation included hiring an outside consultant to complete the study phase of the project and using nationally recognized experts in criminal justice and related technology to establish a plan to replace the Usoft platform.

Mr. King said DPS indicated that the solicitation for the recommended study phase of the Usoft platform replacement project would include a not-to-exceed amount of \$400,000, which was based upon a May 2008 request for information that resulted in eight vendor responses with price proposals ranging from \$150,000 to \$495,000. The Committee should note, however, that if it appeared the solicitation would be unsuccessful, DPS had indicated it might be necessary to request the use of reserves to increase funding for the study phase of the project. Although Fiscal Analysis Division staff was not proposing a different amount for the study, DPS had not provided information that firmly established the study's cost, which appeared to be substantial. Considering the uncertainty regarding the study's cost, said Mr. King, the Committee might wish to instruct DPS, through the issuance of a Letter of Intent, that prior to entering into a contract for completion of the study information would be provided to IFC for evaluation and approval of the cost of the study.

The decision, said Mr. King, was whether the Committee wished to approve Budget Amendment A00277 that would add \$400,000 in federal Justice Assistance Grant transfer authority in FY 2012 to complete a planning study for replacement of the Criminal History Repository software applications that used the Usoft platform. And did the Committee also wish to approve the issuance of a Letter of Intent instructing DPS to provide IFC with information to evaluate and approve the study's cost prior to entering into a contract for completion of the study.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

SENATOR PARKS MOVED APPROVAL OF BUDGET AMENDMENT A00277 AS RECOMMENDED BY THE GOVERNOR AND ISSUANCE OF A LETTER OF INTENT INSTRUCTING THE DEPARTMENT OF PUBLIC SAFETY TO PROVIDE THE INTERIM FINANCE COMMITTEE WITH INFORMATION TO EVALUATE AND APPROVE THE STUDY'S COST PRIOR TO ENTERING INTO A CONTRACT FOR COMPLETION OF THE STUDY.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Rhoads was not present for the vote.)

The second major closing item, said Mr. King, was decision unit Enhancement (E) 250, which recommended charging one-half of the costs for the division administrator and the administrative services officer 2 positions to the Technology Division, Budget Account (BA) 4733, which would result in funding one-half the costs for the two positions with cost-allocation revenue assessed on other Department of Public Safety (DPS) operating divisions. The recommendation included fee and assessment reductions in the account totaling \$238,720 in the 2011-2013 biennium, and a corresponding increase in cost-allocation reimbursements that would be assessed by the Technology Division on other DPS operating divisions. The Department stated that the basis for funding one-half of the salary costs from the Technology Division account was the 2007 Legislative Session's approval to create the Records and Technology Division by combining the Criminal History Repository and the Technology Division.

Mr. King stated that combining the two entities would result in the division administrator and the administrative services officer 2 positions overseeing two separate, but interrelated, programmatic and fiscal operations, including the division administrator overseeing two bureau chief positions and the administrative services officer 2 overseeing two accounting technician positions that were included in the Criminal History Repository and Technology Division budget accounts. In addition, said Mr. King, because many of the agency's projects were interrelated, DPS stated that a study to identify the amount of time each position spent working on Criminal History Repository and Technology Division tasks would be difficult to complete and would not be cost-effective.

Mr. King noted that because of the Governor's recommended employee salary reductions, the amount included in the recommendation exceeded one-half of the cost for the two positions. If the recommendation to fund the costs of the positions with funds collected from other DPS operating divisions was approved, Fiscal Analysis Division staff would recommend reducing the recommendation by \$10,313 over the biennium to reflect the Governor's recommended employee salary reduction.

The decision, said Mr. King, was whether the Committee wished to approve funding one-half of the division administrator and administrative services officer 2 positions with cost-allocation revenue totaling \$228,407 in the 2011-2013 biennium, which included an adjustment to reflect the Governor's recommendation to reduce employee salaries.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN HARDY MOVED APPROVAL OF DECISION UNIT
ENHANCEMENT (E) 250 AS RECOMMENDED BY THE GOVERNOR,
INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF
TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. King stated that the next budget issue was decision unit Enhancement (E) 600, which recommended eliminating a vacant fingerprint/records technician position for a reduction in court administrative assessment revenues totaling \$107,947 for the 2011-2013 biennium. The Department of Public Safety (DPS) indicated the position had become duplicative and unnecessary primarily because of technology enhancements that had decreased the time necessary to process fingerprints, and existing staff was absorbing more of the workload. Mr. King stated the recommendation appeared reasonable.

The decision, said Mr. King, was whether the Committee wished to approve the elimination of a fingerprint/records technician position for a reduction in court administrative assessment revenues totaling \$107,947 for the 2011-2013 biennium.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN HARDY MOVED APPROVAL OF DECISION UNIT
ENHANCEMENT (E) 600 AS RECOMMENDED BY THE GOVERNOR.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. King said other closing items included decision unit Enhancement (E) 710, which recommended reserve funding of \$49,569 for the 2011-2013 biennium for replacement equipment. The recommendation appeared reasonable.

The next closing item, said Mr. King, was decision units E800 and E801, which recommend changes in the Department's internal cost allocations for the 2011-2013 biennium. Mr. King noted that the majority of the recommended changes to adjust internal cost allocations were because of the recommendation to consolidate the Administrative Services Division within the Director's Office, which had been approved. Fiscal Analysis Division staff recommended that the Committee approve other closing items as recommended by the Governor with authority for Fiscal Analysis Division staff to make technical adjustments to the Department of Public Safety's internal cost allocations.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN KIRNER MOVED APPROVAL OF DECISION UNITS
ENHANCEMENT (E) 710, E800, AND E801 AS RECOMMENDED
BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL
ANALYSIS DIVISION STAFF TO MAKE TECHNICAL
ADJUSTMENTS.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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PUBLIC SAFETY
DEPARTMENT OF PUBLIC SAFETY
DPS – TECHNOLOGY DIVISION (201-4733)
BUDGET PAGE PUBLIC SAFETY-155

Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated the first closing issue was decision unit Enhancement (E) 903, which recommended transferring two full-time information technology (IT) professional positions and associated costs from the Nevada Highway Patrol (NHP), Budget Account (BA) 4713, to the Technology Division, BA 4733. The recommendation would eliminate all IT professional positions from the NHP budget account.

Mr. King said the recommended position transfers were intended to address the statutory requirement of the Division to provide other DPS divisions with technology services; however, funding the positions in the NHP account restricted the Division's ability to fully use the positions. The Division believed that transferring the positions to the Technology Division account, changing the duties of the positions to support other Department functions rather than only NHP, and funding the positions with cost-allocation revenue, would allow the positions to be more effectively used to address the Department's technology priorities.

Mr. King noted that on April 26, 2011, the money committees jointly approved the recommendation to transfer the two IT professional positions from the NHP account. However, the Division indicated that annual recurring instate travel costs and cell phone charges had been inadvertently omitted from the transfer recommendation. Although the NHP account had already been closed for that portion of the transfer, Fiscal Analysis Division staff requested authority to add \$997 in travel and operating costs to that portion of the transfer, as well as the transfer from the NHP account, to ensure the transfer to the Technology Division matched the transfer from the NHP account.

The decision, said Mr. King, was whether the Committee wished to approve authority for Fiscal Analysis Division staff to add \$997 in travel and operating costs in BA 4733, with a similar adjustment for those costs in the NHP account.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN BOBZIEN MOVED APPROVAL FOR FISCAL ANALYSIS DIVISION STAFF TO ADD \$997 IN TRAVEL AND OPERATING COSTS IN BUDGET ACCOUNT (BA) 4733, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. King stated that the next closing issue was decision unit Enhancement (E) 250, which recommended cost-allocation revenue of \$238,720 in the 2011-2013 biennium to pay one-half of the personnel costs for the Records and Technology Division administrator and an administrative services officer 2 position currently budgeted in the Criminal History Repository account (BA 4709), which had been approved.

Mr. King noted that because of the Governor's recommended employee salary reductions, the amount included in the recommendation exceeded one-half of the cost for the two positions. The recommendation had been approved to fund the positions' costs with funds collected from other DPS operating divisions. Fiscal Analysis Division staff requested the authority to make adjustments in the salaries for the 2011-2013 biennium to reflect the Governor's recommended employee salary reduction.

The decision, said Mr. King, was whether the Committee wished to approve the recommendation to shift one-half of the division administrator and administrative services officer 2 costs from fees to cost-allocation revenues, with adjustments as recommended by Fiscal Analysis Division staff.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN HARDY MOVED APPROVAL OF DECISION UNIT ENHANCEMENT (E) 250 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. King said decision unit Enhancement (E) 278, recommended cost-allocation reimbursements of \$22,504 in fiscal year (FY) 2013 to continue the warranty coverage for software and hardware included in the Division's infrastructure upgrade and disaster recovery project, which had been approved by the 2007 Legislative Session. The recommendation appeared reasonable.

The next closing item, said Mr. King, was decision unit E710, which recommended cost-allocation reimbursements of \$39,639 in the 2011-2013 biennium for replacement equipment, which was reasonable.

The decision, said Mr. King, was whether the Committee wished to approve other closing items as recommended by the Governor.

Chairwoman Smith asked whether there were questions or further discussion, and there being none, the Chairwoman called for a motion.

SENATOR PARKS MOVED APPROVAL OF DECISION UNITS
ENHANCEMENT (E) 278 AND E710 AS RECOMMENDED BY THE
GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS
DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

PUBLIC SAFETY
DEPARTMENT OF PUBLIC SAFETY
DPS – PAROLE AND PROBATION (101-3740)
BUDGET PAGE PUBLIC SAFETY-90

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated major closing issues in budget account (BA) 3740 included decision unit Enhancement (E) 693. The Governor originally recommended transferring the presentence investigation (PSI) function to the district courts for a General Fund savings of \$5.3 million in fiscal year (FY) 2012 and \$5.4 million in FY 2013. A total of 76.98 positions would have been eliminated, as depicted on page 8 of Closing List #22 ([Exhibit C](#)).

On March 25, 2011, said Ms. Crocket, the Budget Division submitted a budget amendment that retained the PSI function, including positions, within the Division of Parole and Probation (P&P) and billed the counties for PSI reports. The Department of Public Safety (DPS) indicated that each county would be billed based on the annual historical production percentage of PSI reports for each county.

Ms. Crocket stated that the chart on page 9 of [Exhibit C](#) depicted the number of PSI reports completed by P&P for each county in calendar year 2010, the percentage of total PSI workload for each county, and the amount each county would pay in each year of the upcoming biennium under the Governor's amended budget. The total amount billed to the counties under the option would be \$10.7 million over the 2011-2013 biennium, and the total cost to the state would be zero over the 2011-2013 biennium.

Ms. Crocket said that at the March 3, 2011, joint subcommittee budget hearing, testimony from a representative of the Nevada District Judges Association indicated that PSI reports were indispensable for sentencing. The reports provided judges with critical information regarding the offender's character and background, along with the effect of the crime on the victim.

According to Ms. Crocket, at the Department's budget work session on March 31, 2011, the joint subcommittee requested that Fiscal Analysis Division staff gather information regarding the effects on the operations of district courts if the costs of PSI reports were transferred to the counties. Fiscal Analysis Division staff contacted representatives from the Second Judicial District, the Eighth Judicial District, and the Nevada Association of Counties (NACO), which represented rural judicial districts.

Ms. Crocket stated that a representative of the Second Judicial District indicated that the PSI costs would represent 20 percent of the Second Judicial District's total budget and could result in the elimination of 20 to 35 positions. The representative stated it would be difficult for the Second Judicial District to meet its mandated obligations if 20 percent of its budget were directed to pay the costs of PSI reports. Additionally, said Ms. Crocket, the representative indicated that the Second Judicial District did not agree that the counties should bear the entire cost of producing the reports because the reports were also used by entities within state government.

Ms. Crocket stated that NACO representatives indicated that the rural counties were not likely to pass the costs of PSI reports onto rural district courts. Rather, the counties would consider position eliminations in other departments or

enacting new fees such as an additional court assessment to cover the costs. The NACO representatives did not specify which rural counties had provided input. Ms. Crocket noted that no response had been received from representatives of the Eighth Judicial District.

Ms. Crocket stated that use of the PSI reports had been discussed at the joint subcommittee budget hearing. The primary purpose of the PSI report was to assist the court in determining offender sentencing. Testimony indicated that entities within state government used PSI reports, including P&P and the Parole Board, for risk assessment purposes. Ms. Crocket noted that the Department of Corrections also used PSI reports upon prisoner intake to classify and determine appropriate placements for prisoners. Other entities also used PSI reports to a lesser extent, including the Attorney General's Office, other local entities such as district attorneys and public defenders, and the federal government. Accordingly, said Ms. Crocket, assigning some of the costs of the PSI function to the state and some of the costs to the counties might be appropriate.

In response to Fiscal Analysis Division staff inquiries, said Ms. Crocket, the Department of Public Safety (DPS) developed an option to bill counties for part of the costs of PSI reports and allocate some costs to the state. Under the option prepared by P&P, the counties would be billed for 70 percent of the costs of PSI reports and the state would support 30 percent of the costs. The Division reported that state entities could produce 70 percent of the PSI document through other established means, while counties could produce approximately 30 percent of the document through other means. Therefore, said Ms. Crocket, DPS indicated that assigning 70 percent of the costs of PSI reports to the counties and 30 percent of the costs to the state was one viable option, as depicted by the chart on page 10 of [Exhibit C](#). Ms. Crocket stated that the total amount billed to the counties under the option would be \$7.5 million over the 2011-2013 biennium. The total cost to the state under the option was \$3.2 million above the amounts included in The Executive Budget for the 2011-2013 biennium.

Ms. Crocket indicated that P&P was required to complete PSI reports for felony convictions, but completed PSI reports for gross misdemeanor cases only upon the request of the district courts. The Division indicated that PSI reports completed for felony convictions accounted for 80 percent of the reports completed in calendar year 2010, and gross misdemeanor cases accounted for 20 percent of the reports completed. Because PSI reports must be prepared for felony convictions and were prepared for gross misdemeanor convictions only upon the request of the court, the percentage of PSI reports prepared for felony

and gross misdemeanor convictions might provide another reasonable basis upon which to allocate the costs of PSI reports between the state and the counties. Ms. Crocket stated that the chart on page 11 of [Exhibit C](#) depicted the 80-20 funding split. The total amount billed to the counties under that option would be \$2.1 million and the total cost to the state would be \$8.5 million above the amounts included in The Executive Budget for the biennium.

According to Ms. Crocket, Senate Bill 443, currently before the Senate Committee on Finance, would amend Chapter 176 of *Nevada Revised Statutes* (NRS) to require counties to pay for presentence and general investigation reports. Fiscal Analysis Division staff was not aware of any structure that had been developed to bill the counties for PSI reports. Also, it was not clear to Fiscal Analysis Division staff whether the P&P would receive reimbursement directly from the counties or whether the amounts owed from the counties would be withheld from funds owed to the counties from the state.

Ms. Crocket said the Committee might wish to choose one of the following options:

- a. Approve the Governor's amended recommendation to retain the PSI function (including positions) within the Division of Parole and Probation and bill the counties for 100 percent of the cost of the PSI function, for a General Fund savings of \$10.7 million over the 2011-2013 biennium. If the Committee approved that option, S.B. 443 must be approved.
- b. Approve allocating the costs for the PSI function between the state and the counties, by choosing one of the following options:
 - (1) Approve retaining the PSI function within the Division of Parole and Probation and bill the counties \$7.5 million over the 2011-2013 biennium for 70 percent of the cost of the PSI function. That option would require a General Fund add-back of \$3.2 million over the 2011-2013 biennium.
 - (2) Approve retaining the PSI function within the Division of Parole and Probation and bill the counties \$2.1 million over the 2011-2013 biennium for 20 percent of the cost of the PSI function. That option would require a General Fund add-back of \$8.5 million over the 2011-2013 biennium.

Ms. Crocket noted that if the Committee approved either option b.(1) or b.(2), S.B. 443 would need to be amended before approval to initiate the budget.

Chairwoman Smith asked whether there was discussion regarding the PSI function.

Assemblyman Goicoechea wondered whether S.B. 443 would need to be passed to accommodate all of the aforementioned options. Ms. Crocket said that was correct, but as currently written the bill would need to be amended and passed if the Committee approved either option b.(1) or b.(2) and would need to be passed if the Committee approved option a.

Assemblyman Bobzien indicated that the PSI issue had been extensively discussed by the joint subcommittee, and he had learned how important PSI reports were to the courts. He noted that counties were also struggling with budget cuts, and he could not support the Governor's amended recommendation to bill the counties for 100 percent of the cost for PSI reports. Assemblyman Bobzien appreciated the time expended by Fiscal Analysis Division staff to offer alternative scenarios for the Committee. Assemblyman Bobzien opined that option b.(1) would be the appropriate compromise, and he offered the following motion:

ASSEMBLYMAN BOBZIEN MOVED APPROVAL OF OPTION b.(1)
TO ALLOCATE THE COST OF THE PSI FUNCTION BETWEEN THE
STATE AT 30 PERCENT AND THE COUNTIES AT 70 PERCENT
AND RETAIN THE PSI FUNCTION WITHIN THE DIVISION OF
PAROLE AND PROBATION.

SENATOR LESLIE SECONDED THE MOTION.

Senator Rhoads asked whether there was a legal opinion regarding the duties that were being delegated to the counties, and what would occur if the counties did not pay the costs because of a lack of funding. He wondered whether the state would again be required to fund those duties.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, explained that under option b.(1) the county would pay 70 percent of the cost of the PSI function and the state would pay the remaining 30 percent of the cost and would retain the positions within the Division of Parole and Probation. Mr. Krmpotic's understanding was that when a PSI was required if the counties either refused to pay or could not pay, the state would withhold payments to the counties via the Controller's Office or the Department of Taxation.

However, said Mr. Krmpotic, it had also been mentioned in previous testimony that if one of the counties were on the brink of, or had entered into, bankruptcy that would affect the Department of Taxation, similar to the situation several years ago with White Pine County, when the Department of Taxation had been required to take over and manage the finances for White Pine County until it

again became solvent. Mr. Krmpotic stated there was a potential effect on the state if counties did not have the ability to pay or did not have the tax revenues to reimburse the state for the PSI service.

Senator Leslie indicated that she remained concerned about the funding split regarding the PSI function, not only for the rural counties, but also for the urban counties, where parks, libraries, and jails were being closed because of a lack of funding.

Senator Leslie said she was somewhat confused about the options because Fiscal Analysis Division staff was not aware of any structure that had been developed to bill the counties for PSI reports. Senator Leslie wondered whether that function would be developed after the fact and whether PSI reports would be completed at the request of the judges. It appeared that no structure or mechanism had been developed to address that function.

Mr. Krmpotic indicated that Fiscal Analysis Division staff had not received any details from the Division regarding the billing mechanism or structure, whether it would be for PSI reports completed after the fact, or whether the billing would be based on a projected number of PSI reports to be completed with a reconciliation occurring at the end of the year.

Senator Leslie said she would support the motion, which she felt was more appropriate that the Governor's recommendation, but she believed the state was heading down a treacherous path by transferring funding responsibility for many programs to the counties. Senator Leslie opined that counties could go bankrupt and the state might face lawsuits; she pointed out that the state needed additional revenue.

Assemblywoman Carlton stated she would also support the motion, even though she had some very serious concerns about how the process would be initiated and whether the judges would determine when a PSI report was needed. She commented that the cost of a PSI report should not get in the way of justice, but ultimately, the 70/30 percent split would amount to \$7.5 million for the counties, and Clark County would pay almost \$5 million of that total amount. That would represent a significant expense for Clark County, and Assemblywoman Carlton said she was concerned because of the many other services that were being transferred to the counties.

Chair Horsford asked whether there was further discussion. He asked Fiscal Analysis Division staff to prepare a review of the percentage of the administrative fee allocation between the courts and the State General Fund.

Chair Horsford said if the Committee was going to add back some functions that could rightfully be administered by the courts, the percentage of administrative fee allocations should be reviewed.

Assemblyman Grady pointed out that the PSI function was only one part of the total cost to the counties. The state paid the salaries for the judges, but the counties paid the remaining court costs, including for support staff, for court facilities, and for all other costs including travel. Assemblyman Grady said the cost of the PSI function would be in addition to what counties were already paying.

Chair Horsford agreed that there were other expenses for the counties that the Committee needed to understand. The Legislature had "tiptoed" around the administrative assessment issue, and now that the issue of participation between the courts and state government had come to fruition, it was time to review the percentage allocation breakout.

Chair Horsford called for a vote on the motion currently before the Committee to approve option b.(1) to allocate the cost of the PSI function between the state at 30 percent and the counties at 70 percent and retain the PSI function within the Division of Parole and Probation; the motion had been seconded by Senator Leslie.

THE MOTION CARRIED, WITH ASSEMBLYMEN GOICOECHEA, GRADY, HAMBRICK, HARDY, HICKEY, AND KIRNER AND SENATORS KIECKHEFER AND RHOADS VOTING NO.
(Assemblywoman Smith was not present for the vote.)

Ms. Crocket said the next major closing issue was decision unit Enhancement (E) 602, which recommended eliminating 40 Department of Public Safety (DPS) officer 2 positions and 5 DPS sergeant positions for a General Fund savings of \$3.9 million in each year of the 2011-2013 biennium. The recommended elimination represented an approximately 20 percent reduction in total DPS officer positions authorized in the account.

Ms. Crocket stated that 17 of the 45 positions were currently filled, according to the Human Resource Data Warehouse; however, DPS indicated that it would eliminate currently vacant positions rather than the positions indicated in The Executive Budget to minimize the layoffs.

Ms. Crocket said DPS indicated that eliminating 40 officers would increase the general supervision staffing ratio from 70 offenders per officer approved by the 2009 Legislative Session to 80 offenders per officer. However, said Ms. Crocket, The Executive Budget recommended only 163 DPS officers for the 2011-2013 biennium, compared with the 202 officers that Fiscal Analysis Division staff calculated would be necessary to achieve the Governor's recommended general supervision ratio of 80:1. Ms. Crocket pointed out that other work units would remain at the 2009 legislatively approved staffing ratios, which included 64:1 for PSI reports; 30:1 for intensive supervision; 45:1 for sex offenders; 150:1 for miscellaneous; and 250:1 for central district headquarters.

As the Committee was aware, said Ms. Crocket, the Division of Parole and Probation (P&P) had experienced a high vacancy rate in officer positions. The vacancy rate for officers was currently 18 percent, which increased the number of offenders each filled officer position was required to supervise. The table on page 13 of [Exhibit C](#) depicted Fiscal Analysis Division staff's calculations regarding the number of officers required to maintain the legislatively approved 70:1 general supervision ratio, and the number of officers required to maintain the Governor's recommend 80:1 general supervision ratio, without the use of the Administrative Banks. As depicted by the aforementioned chart, said Ms. Crocket, 39 officer 2 positions would need to be added back to maintain the Governor's recommendation for work-unit ratios, specifically the 80:1 general supervision ratio. The add-backs made no allowance for position vacancies.

According to Ms. Crocket, P&P indicated that approval of decision unit Enhancement (E) 602 would make the use of Administrative Banks permanent because there would be an insufficient number of officers to supervise the offenders at a ratio of 70:1 or 80:1. The number of offenders managed in the Administrative Banks would be determined by the number of general supervision cases within the northern and southern commands.

As of January 31, 2011, said Ms. Crocket, P&P indicated there was currently a total of 1,771 offenders in the Administrative Bank, including 1,502 offenders in Las Vegas and 269 offenders in Reno. The four officers who managed the Administrative Banks were unable to manage a regular caseload, thereby increasing actual caseloads for the remaining officers.

Ms. Crocket said the number of offenders in the Administrative Banks was determined by the number of general supervision cases. If there were more cases than could be managed with the 80:1 offender-to-officer ratio, additional

low-risk offenders would be moved to the Administrative Banks. The Division had indicated to Fiscal Analysis Division staff that offenders currently placed in the Administrative Banks were gross misdemeanants and Category E felons. However, said Ms. Crocket, testimony by P&P at the March 3, 2011, joint subcommittee budget hearing indicated that the Administrative Banks also contained some Category D felons. Officers used their own judgment to determine which offenders were placed in the Administrative Banks. It did not appear to Fiscal Analysis Division staff that P&P had defined criteria to determine which offenders would be placed in the Administrative Banks.

Ms. Crocket stated that the chart on page 14 of [Exhibit C](#) depicted the calculations by Fiscal Analysis Division staff that approximately 3,400 offenders would be placed in the Administrative Banks if the Division was fully staffed with the recommended 163 officers. As previously noted, P&P had experienced a high number of vacancies in officer positions, with a vacancy rate that had averaged 14.24 percent over the last five calendar years. Ms. Crocket pointed out that if 15 percent of the officer positions were vacant, approximately 5,300 offenders would be on the Administrative Banks. The Division had recently reviewed caseload data for Fiscal Analysis Division staff, and the data indicated that approximately 3,255 Gross Misdemeanor offenders, 1,986 Category E felons, and 2,911 Category D felons would be on the Administrative Banks at a 15 percent officer vacancy ratio.

Ms. Crocket noted that the JFA Institute, which provided caseload projections for P&P, projected a monthly general supervision caseload of 10,068 offenders for each year of the upcoming biennium. Therefore, at the Division's historical vacancy rate, approximately 50 percent of general supervision offenders would be placed in the Administrative Banks at any given time if the Governor's recommendation was approved.

Ms. Crocket said there were two options for consideration by the Committee. The first was that to achieve the Governor's recommended 80:1 general supervision ratio without the use of the Administrative Banks, an additional 39 officers and 5 sergeants would be required at an additional General Fund cost of \$502,625 in fiscal year (FY) 2012 and \$2.2 million in FY 2013. Specialty equipment could be funded by the Forfeiture budget account (BA 4703), at an additional cost of \$27,536 over the 2011-2013 biennium. The Division would need to process a work program for the forfeiture funding because that account had already been closed. The initial costs would be lower than the ongoing costs because of staggered start dates for the positions. Because of the recruitment and training process, said Ms. Crocket, it would be necessary to stagger the start dates of the positions. Eleven positions would

start in January 2012, 11 positions would start in June 2012, 12 positions would start in January 2013, and 10 positions would start in June 2013 to align with planned training academy start dates.

Ms. Crocket said that option assumed that the positions would be located in existing Division office space because the Division was currently authorized more positions than were filled. The Division would continue to use the Administrative Banks until all 44 positions had been recruited and trained. Ongoing costs for that add-back would be approximately \$3.3 million per fiscal year.

According to Ms. Crocket, the second option would completely undo the Governor's recommendation and maintain the general supervision ratio at 70:1 without Administrative Banks. That option would require an additional 57 officers, 7 sergeants, and 1 lieutenant at an additional General Fund cost of \$740,294 in FY 2012 and \$3.2 million in FY 2013. However, DPS had indicated it was unlikely that 65 sworn positions could be recruited and trained over the 2011-2013 biennium. Also, P&P might need additional office space, which would incur additional expenses not included in the add-back amount. Ms. Crocket said the Committee should note that adding 65 positions would affect the Training Division budget (BA 3775) and the State Motor Pool Division budget (BA 1354). Ongoing costs for the add-back would be approximately \$4.9 million per fiscal year.

Ms. Crocket stated that the Committee might wish to choose one of the following options.

- a. Approve the Governor's recommendation to eliminate 40 officer positions and 5 sergeant positions for General Fund savings totaling \$7.8 million over the 2011-2013 biennium. Approval of decision unit E602 increased the general supervision ratio from 70 offenders per officer to over 80 offenders per officer and would permanently establish the use of Administrative Banks.
- b. Disapprove the Governor's recommendation to eliminate positions and use the Administrative Banks. Approve the addition of 44 sworn positions over the 2011-2013 biennium to achieve an 80:1 general supervision ratio without using the Administrative Banks. The option would require a General Fund add-back of \$2.8 million over the 2011-2013 biennium.

- c. Disapprove the Governor's recommendation to eliminate positions and use the Administrative Banks. Approve the addition of 65 sworn positions over the 2011-2013 biennium to achieve the previous legislatively approved 70:1 general supervision ratio without using the Administrative Banks. The option would require a General Fund add-back of \$4.1 million over the 2011-2013 biennium.

Also, said Ms. Crocket, the Committee might wish to consider issuing a Letter of Intent to the Division that required it to report information regarding the number and type of offenders in the Administrative Banks to the Interim Finance Committee (IFC) on a quarterly basis beginning October 1, 2011.

Chair Horsford asked whether there were questions or discussion regarding decision unit Enhancement (E) 602 and the options available to the Committee.

Senator Parks commented that there had been extensive discussion regarding the issue during previous joint subcommittee hearings, and his recommendation was that the Committee approve option b., which would provide an additional 44 sworn officer positions. That action would be consistent with the Governor's recommended ratio of 80:1, which was still excessively high and might be difficult to manage.

Also, said Senator Parks, Assembly Bill 136 would reduce the inmate population for Category D felons within the Department of Corrections, and those offenders would more than likely require a greater degree of supervision. Senator Parks believed that a strong workforce should be maintained within the Division. He noted there were approximately 1,800 prior offenders in the Administrative Banks and without hiring additional officers, an additional approximately 3,200 offenders would be added. Therefore, Senator Parks offered the following motion.

SENATOR PARKS MOVED APPROVAL OF OPTION b. TO ADD 44 SWORN POSITIONS OVER THE BIENNIUM AND ISSUE A LETTER OF INTENT TO THE DIVISION OF PAROLE AND PROBATION TO REPORT INFORMATION REGARDING THE ADMINISTRATIVE BANKS TO THE INTERIM FINANCE COMMITTEE ON A QUARTERLY BASIS, INCLUDING THE NUMBER AND TYPE OF OFFENDERS IN THE ADMINISTRATIVE BANKS, BEGINNING OCTOBER 1, 2011.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

Assemblyman Bobzien commented that even with the compromise, the ratio would be 80 offenders to 1 officer, and he opined that “no new taxes” was meant to attract business to the state, and he hoped the Committee’s action did not attract “repeat” criminal business to the state.

Chair Horsford asked whether there was further discussion regarding the motion currently before the Committee.

Assemblywoman Carlton said it appeared the Administrative Banks would not be eliminated until after all officers had been hired and trained. It was obviously difficult to recruit and hire officers, and Assemblywoman Carlton hoped that as officers were hired, the Division commenced with elimination of the Administrative Banks.

Mark Krmpotic, Senate Fiscal Analyst, indicated that Fiscal Analysis Division staff had identified the potential need for specialty equipment for the newly hired officers with approval of option b. The addition funding would be from the Forfeiture budget account in the amount of approximately \$27,000, and rather than reopen the Forfeiture budget account, Mr. Krmpotic suggested that the Division approach IFC after the close of Session to transfer that money out of reserves into a spending category.

Senator Leslie believed that option b. would be the best action for the Committee. She stated she would support the motion as a compromise because of the state’s current fiscal situation. The P&P officer vacancy rates had been so high because it took a great deal of time to recruit officers, and once officers were trained they often left for higher paying jobs elsewhere. Senator Leslie said the issue was really about public safety. Just recently, a P&P officer in Reno was conducting a home visit and was sufficiently alert to notice evidence that led to the offender being identified as an alleged serial killer. However, there were other notable cases where P&P officers were not as diligent in their duties.

Senator Leslie opined that home visits had to be conducted by P&P officers to keep offenders from committing additional crimes; she believed P&P was currently understaffed and officers faced extremely dangerous situations on the streets every day to provide public safety. Senator Leslie said it appeared the state was simply giving up on public safety, and she believed if citizens realized the choices being made they would not approve. As noted by Senator Parks, there was legislation being considered that would release certain prison inmates back to the community to save money, and P&P officers would be necessary to

supervise those offenders. Senator Leslie said option b. was the minimum that she personally could accept.

Chair Horsford concurred with the remarks made by his colleagues. He said it was pretty sad to review a map of ex-offender's residences and realize that ex-offenders lived in everyone's neighborhoods, whether it was low-income, middle-income, or high-income, and to suggest that there would not be sufficient P&P staff in place to properly monitor and supervise those offenders as required by law would break the public's trust. Furthermore, said Chair Horsford, the lack of officers contributed to ex-offenders committing further crimes. The goal was to provide the proper supervision level and hold offenders accountable for their crimes in a way that helped offenders stay out of the correctional system, thereby saving the state money.

Chair Horsford asked whether there was further discussion, and there being none, the Chair called for a vote on Senator Park's motion that was currently before the Committee to approve option b. that would add 44 sworn positions over the 2011-2013 biennium with a Letter of Intent to the Division. The motion was seconded by Assemblyman Bobzien.

THE MOTION CARRIED WITH ASSEMBLYMEN GOICOECHEA, GRADY, HAMBRICK, HARDY, HICKEY AND KIRNER, AND SENATORS CEGAVSKE, KIECKHEFER, AND RHOADS VOTING NO. (Assemblywoman Smith was not present for the vote.)

Senator Parks suggested that with the possible closure of the Nevada State Prison (NSP), perhaps the correctional officers who would be laid off could qualify for P&P officer positions through some type of a transition program.

Assemblywoman Carlton noted that there had been previous discussion with the Department of Corrections (DOC) and the Police Officers Standards and Training (POST) academy about the possibility that the 20 to 30 correctional officers who did not want to relocate to maintain employment with DOC could apply for the P&P officer positions. Assemblywoman Carlton said correctional officers were category 3 officers with a different skill-set, but perhaps those officers could be retrained and return to POST to qualify for the P&P officer positions. Those correctional officers could represent a built-in workforce for the vacancies in northern Nevada.

Continuing her presentation, Ms. Crocket said the third major closing issue was decision unit Enhancement (E) 251, which recommended additional General Funds of \$331,122 over the 2011-2013 biennium to increase monthly

State Motor Pool vehicle mileage from 750 to 1,200 for 203 vehicles. That represented a 60 percent increase in monthly mileage from the Division's fiscal year (FY) 2010 average of 750 miles per vehicle. According to the Division, the enhancement was designed to provide more flexibility to officers, allowing officers to spend more time in the field conducting offender contacts.

Ms. Crocket said P&P stated that one State Motor Pool vehicle was needed for each officer position. She noted that The Executive Budget recommended a total of 154 State Motor Pool vehicles, compared with a total of 163 officers. The Budget Division indicated that a vacancy rate had been applied to the State Motor Pool vehicles for P&P because of its history of high vacancy rate in officer positions.

Ms. Crocket stated there were some concerns about the decision unit because the increase included mileage for 40 vehicles that were recommended for elimination in decision unit E602. For example, said Ms. Crocket, the mileage was enhanced to 1,200 miles per month in decision unit E251, but removed in decision unit E602 at the lower 750 miles per month. The difference would be extra funding in the budget. Secondly, decision unit E251 based the cost of the recommended mileage increase on the State Motor Pool rate for intermediate vehicles. However, the vehicle schedule included in The Executive Budget included 15 compact vehicles, 99 intermediate vehicles, and 40 premium vehicles. Ms. Crocket said Fiscal Analysis Division staff had completed technical adjustments to align the mileage increase with State Motor Pool rates for the type of vehicles included in The Executive Budget.

In addition, said Ms. Crocket, the Division had a five-year average vacancy rate of 14.24 percent for officer 2 positions, and only officer 2 positions were authorized for State Motor Pool vehicles. However, the Division had a history of requesting all State Motor Pool vehicles for which it was authorized in spite of its high officer 2 vacancy rate. Currently, the Division had 163 filled officer 2 positions, but 194 State Motor Pool vehicles in its inventory according to the State Motor Pool, or 31 more vehicles than the Division needed to carry out its operations. Using the current rates, the 31 surplus vehicles represented a General Fund cost of \$14,802 per month, or \$177,630 per year, assuming each vehicle was driven the fiscal year (FY) 2010 average of 750 miles per month. The Committee might wish to issue a Letter of Intent directing the Division of Parole and Probation to retain no more State Motor Pool vehicles in inventory than there were filled officer 2 positions during the 2011-2013 biennium.

Additionally, said Ms. Crocket, the Committee might wish to issue a Letter of Intent directing the State Motor Pool to forward a list of vehicles in the Division's possession to the Fiscal Analysis Division on a quarterly basis. Fiscal Analysis Division staff could then compare the State Motor Pool list with the number of filled officer 2 positions to verify the Division's compliance.

The decision, said Ms. Crocket, was whether the Committee wished to approve 450 additional State Motor Pool miles per month for 154 vehicles, with adjustments for vehicle type, for a total General Fund cost of \$132,570 in each year of the upcoming biennium, and issue letters of intent to the Division of Parole and Probation and the State Motor Pool Division.

Senator Parks said the joint subcommittee had been informed that because of budget constraints the Division had imposed certain limitations on State Motor Pool vehicle mileage per month. Senator Parks said the Division indicated that the limited mileage would hamper the work of P&P officers in the field, and the joint subcommittee wanted to allow those officers to be as effective as possible by allowing additional mileage for field work. Therefore, Senator Parks offered the following motion:

SENATOR PARKS MOVED APPROVAL OF AN ADDITIONAL
450 STATE MOTOR POOL MILES PER MONTH AND THE
ISSUANCE OF LETTERS OF INTENT TO THE DIVISION OF PAROLE
AND PROBATION AND THE STATE MOTOR POOL.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Conklin and Smith were
not present for the vote.)

The next major closing issue, said Ms. Crocket, was the Governor's recommendation to transfer \$962,487 in cost-allocation reimbursements from the Director's Office, Budget Account (BA) 4706; to transfer breathalyzer calibration contracts to the Nevada Highway Patrol (NHP) account, BA 4713; and to reallocate the funding from cost-allocation reimbursement to Highway Funds. However, the Division of Parole and Probation (P&P), a General Funded account, also used the breathalyzers. Over the current biennium, the breathalyzer calibration contract expense had been split equally between the NHP and the P&P accounts.

The Division's testimony at the March 3, 2011, joint subcommittee budget hearing indicated that both NHP and P&P used the breathalyzers in the course of their operations. In response to inquiries from Fiscal Analysis Division staff, Ms. Crocket said P&P indicated its use of breathalyzers was inconsequential compared with that of NHP. However, P&P was not able to provide Fiscal Analysis Division staff with any data to substantiate that assertion. Furthermore, the Division repeatedly indicated to Fiscal Analysis Division staff, both verbally and in writing, that no data regarding the use of the breathalyzers had been collected.

However, said Ms. Crocket, testimony by the Acting Director of the Department of Public Safety (DPS) at the April 15, 2011, budget closing hearing for the NHP account indicated that breathalyzer use data was, in fact, available. The Division did not provide the use data to the Fiscal Analysis Division until April 26, 2011, the same date the Committee approved the joint subcommittee's report on closing the NHP budget account, including transferring the breathalyzer costs from the Director's Office to NHP. Therefore, said Ms. Crocket, no adjustment could be made in the NHP account to reduce Highway Funds to appropriately reflect the use of the breathalyzers by NHP.

Ms. Crocket stated that the use data provided by the Division for fiscal year (FY) 2010 showed that NHP used the breathalyzers 93.87 percent of the time, with the remaining 6.13 percent of use allocated to P&P. Because the operations of P&P were not directly related to highways, it was inappropriate to use Highway Funds to pay for expenses related to P&P. Therefore, said Ms. Crocket, the breathalyzer calibration contract expense should be allocated between the NHP account and the P&P account, and based on the each agency's use of the breathalyzers, P&P should pay \$59,000 and NHP should pay \$903,487 over the 2011-2013 biennium.

Ms. Crocket stated that Fiscal Analysis Division staff recommended a technical adjustment to add General Funds totaling \$59,000 over the 2011-2013 biennium to pay for the Division's use of breathalyzers to ensure that Highway Funds within the NHP account were not used for expenses allocable to P&P.

In addition, said Ms. Crocket, Fiscal Analysis Division staff requested authority to make a technical adjustment in the NHP account to eliminate the \$59,000 in Highway Funds that would be paid instead from the P&P account.

Chair Horsford asked whether there was further discussion, and there being none, the Chair called for a motion.

ASSEMBLYWOMAN CARLTON MOVED APPROVAL TO REALLOCATE \$962,487 IN COST-ALLOCATION REIMBURSEMENTS FROM BUDGET ACCOUNT (BA) 4706 TO THE HIGHWAY FUND, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Bobzien and Conklin were not present for the vote.)

The next major closing issue, said Ms. Crocket, was decision unit Enhancement (E) 250, which recommended transfer of expenditures that were currently recorded in the Interstate Compact and GPS Tracking categories to standard operating categories. The Division of Parole and Probation (P&P) indicated that the GPS Tracking category was used to track expenditures related to the monitoring of offenders via GPS tracking units. The Division indicated that it currently had no offenders being monitored under the GPS Tracking program and did not anticipate the courts requiring use of that monitoring over the upcoming biennium because of a pending federal court case. Ms. Crocket said the base budget included \$3,140 in revenue related to GPS Tracking program fees in each year of the upcoming biennium, which had not been eliminated in decision unit E250, even though P&P did not anticipate any offenders would be placed under GPS supervision during the 2011-2013 biennium.

However, said Ms. Crocket, when Fiscal Analysis Division staff inquired why the GPS Tracking program fee revenue remained in the budget, P&P indicated the revenue related to GPS Tracking program fees could not be eliminated because GPS Tracking program fees could potentially be received during the upcoming biennium. Ms. Crocket noted that the agency had collected \$3,653 in GPS Tracking program fees year-to-date in fiscal year (FY) 2011. Therefore, it did not appear reasonable to move expenditures from the GPS Tracking category to general use expenditures categories. Fiscal Analysis Division Staff would recommend that GPS Tracking expenditures continue to be recorded in a special use category during the 2011-2013 biennium for transparency purposes; however, it appeared reasonable to move expenditures from the Interstate Compact category to the standard operating category.

The decision, said Ms. Crocket, was whether the Committee wished to approve moving expenditures from the Interstate Compact category to the general operating category and retaining GPS Tracking expenditures in a special use category for transparency purposes.

Chair Horsford asked whether there was further discussion, and there being none, the Chair called for a motion.

SENATOR LESLIE MOVED APPROVAL OF MOVING EXPENDITURES FROM THE INTERSTATE COMPACT CATEGORY TO THE GENERAL OPERATING CATEGORY AND RETAINING GPS TRACKING EXPENDITURES IN A SPECIAL USE CATEGORY.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Crocket stated that other closing items included decision units Maintenance (M) 200, M201, M210, and M211, which adjusted staffing levels for the Division of Parole and Probation (P&P) based on JFA Institute caseload projections. However, said Ms. Crocket, approval of decision units M200 and M201 would not provide sufficient officer positions to cover the staffing deficit previously discussed. Decision unit M200 included staffing changes based on caseload projections for the southern command, and decision unit M201 included staffing changes based on caseload projections for the northern command. Ms. Crocket explained that decision unit M210 reversed decision unit M200 to meet budget reduction targets, and decision unit M211 reversed M201 to meet budget reduction targets. She said those decision units appeared reasonable.

Ms. Crocket stated that decision unit Enhancement (E) 903 transferred General Funds of \$861 in each year of the 2011-2013 biennium to the newly created Evidence Vault account (BA 4701) for expenditures related to evidence vault operations. The recommendation appeared reasonable.

Ms. Crocket stated that decision unit E908 transferred General Funds of \$1,057 in each year of the upcoming biennium to the Administrative Services account (BA 4714) for office space at the Wright Way office in Carson City. The recommendation appeared reasonable.

Ms. Crocket stated that Budget Amendment A00297 eliminated General Funds of \$20,444 in each year of the 2011-2013 biennium for expenditures related to the Micrographics and Imaging program. The recommendation appeared reasonable.

Ms. Crocket stated that Fiscal Analysis Division staff completed technical adjustments to align expenditures related to the Evidence Vault account's cost allocation. Also, Fiscal Analysis Division staff would seek authority to make changes to the amounts allocated under the internal cost allocations based upon final approval of the budget accounts of the Department of Public Safety.

Assemblywoman Carlton asked how the other closing items matched the decisions previously made by the Committee. Ms. Crocket explained that if budget constraints were warranted over the biennium, the Division would use decision units M200 and M201 to adjust staffing levels based on caseload reductions in the northern and southern command. However, because of the Governor's recommendation to eliminate the 40 positions, the Division used decision units M210 and M211 to zero out the decision units that added staff; therefore, the net effect of the four decision units was zero.

Assemblywoman Carlton said the Committee had not approved the Governor's recommendation to eliminate the 40 positions, and she asked for clarification. Ms. Crocket indicated that the four decision units would not have any effect on action previously taken by the Committee.

Chair Horsford asked whether there was further discussion, and there being none, the Chair called for a motion.

SENATOR LESLIE MOVED APPROVAL OF DECISION UNITS MAINTENANCE (M) 200, M201, M210, AND M211; DECISION UNITS ENHANCEMENT (E) 903 AND E908; AND BUDGET AMENDMENT A00297, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN MASTROLUCA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

Chair Horsford opened discussion of the budget accounts for the Commissioner for Veterans' Affairs.

SPECIAL PURPOSE AGENCIES

VETERANS' SERVICES

NCVA – COMMISSIONER FOR VETERANS' AFFAIRS (101-2560)

BUDGET PAGE VETERANS-1

Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that decision units Enhancement (E) 690, E691, and E692 recommended eliminating three vacant positions for General Fund reductions totaling \$343,145 for the 2011-2013 biennium. The positions recommended for elimination included an administrative assistant 3 position located in Las Vegas and two veterans' services representative 1 positions located in Elko and Las Vegas, respectively. Mr. King stated that the agency testified at the Joint Subcommittee budget hearing on March 17, 2011, that mobile outreach efforts would continue to be used to mitigate the loss of the rural veterans' services representative 1 position. However, the recommended position eliminations would affect the agency's productivity and result in reduced benefits to the state's veterans. Mr. King said the reduced productivity and benefits had been included in the agency's performance indicators, as depicted by the chart on page 53 of [Exhibit C](#). The recommendation to eliminate two veterans' services representative 1 positions would result in General Fund reductions totaling \$253,616 in the 2011-2013 biennium, including \$105,991 for the Elko position and \$147,625 for the Las Vegas position.

In response to questions from the Joint Subcommittee, said Mr. King, the agency indicated that the recommendation should have included the elimination of \$1,099 in each year of the 2011-2013 biennium for training costs that would no longer be necessary if the positions were eliminated.

The decision, said Mr. King, was whether the Committee wished to approve the elimination of two veterans' services representative 1 positions and an administrative assistant 3 position, which would result in General Fund reductions totaling \$343,145, as recommended by the Governor, with an additional adjustment to reduce General Funds by \$2,198 in the 2011-2013 biennium for unneeded training costs.

Chairwoman Smith opined that elimination of the positions would eliminate the people who interacted with the state's veterans who desperately needed help, and it would also harm the economy because veterans' services representatives helped veterans become eligible to receive their benefits.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

SENATOR KIECKHEFER MOVED APPROVAL OF DECISION UNITS ENHANCEMENT (E) 690, E691, AND E692 AS RECOMMENDED BY THE GOVERNOR, INCLUDING THE ADJUSTMENT TO ELIMINATE UNNEEDED TRAINING FUNDS.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

Senator Leslie realized that such action was recommended because of budget constraints, but she noted that the position eliminations would affect the agency's productivity and result in reduced benefits to the state's veterans. That meant veterans would not receive the benefits to which they were entitled because the state was eliminating the veterans' services representative positions that helped veterans file those claims.

Senator Leslie stated that over the past year she had worked with veterans' services representatives in Washoe County, and she could attest to the work performed by the representatives to assist veterans. Senator Leslie believed elimination of the positions was the wrong action to take, and she hoped that the situation could again be addressed by the 2013 Legislative Session.

Chairwoman Smith called for a vote regarding the motion currently before the Committee to close the budget as recommended by the Governor, with an adjustment to eliminate unneeded training funds.

THE MOTION CARRIED WITH CHAIRWOMAN SMITH AND SENATORS LESLIE AND PARKS VOTING NO.

Continuing his presentation, Mr. King stated that other closing items included decision unit Enhancement (E) 250, which recommended \$116,178 in General Funds for the 2011-2013 biennium for nonstate-owned office rent and insurance (\$91,874), out-of-state travel (\$12,304), and phone system maintenance (\$12,000). The recommendation appeared reasonable.

The next closing item, said Mr. King, was decision unit E680, which recommended replacing General Funds totaling \$479,600 in the 2011-2013 biennium with increases in the federal allowance for burial and funeral benefits provided to veterans. In response to questions from the joint subcommittee, the agency indicated that 513 and 686 internments were anticipated to be eligible for the increased allowance in fiscal year (FY) 2012

and FY 2013, respectively. Use of the agency's anticipated internment numbers resulted in an allocation of the allowance's increase that differed from the recommendation by \$343 in each year of the 2011-2013 biennium. Fiscal Analysis Division staff recommended an adjustment to the recommendation that decreased the allowance in FY 2012 by \$343 and increased the allowance by the same amount in FY 2013.

The next closing item, said Mr. King, was decision unit E710, which recommended General Funds totaling \$38,472 for the 2011-2013 biennium for replacement equipment. In response to questions from the joint subcommittee, the agency stated that only six of the ten desktop computers qualified for replacement based on the five-year replacement cycle. Fiscal Analysis Division staff recommended an adjustment to remove expenditures totaling \$4,328 for four unsupported, high-cost, desktop computer replacements.

Mr. King stated that decision unit E712, recommended \$12,400 in General Funds in FY 2012 for replacement equipment for the Southern Nevada Veterans' Cemetery in Boulder City. Decision unit E721 recommended \$3,800 in General Funds in FY 2012 for new equipment for the Northern Nevada Veterans' Cemetery in Fernley. Mr. King noted that a quote included in The Executive Budget indicated the cost for the recommended welder was \$1,500 versus the \$1,800 that was recommended. With an adjustment to reduce funding by \$300 for the cost of the welder, the recommendation appeared reasonable.

Mr. King stated that Fiscal Analysis Division staff recommended that the Committee approve the aforementioned other closing items as recommended by the Governor, with adjustments recommended by Fiscal Analysis Division staff.

Mr. King said late fees of \$15 in each year of the 2011-2013 biennium had been identified in the agency's base budget. In addition, the agency's budget included \$4,800 in each year of the 2011-2013 biennium for contract janitorial services at the Fernley Cemetery. However, review of the agency's base budget determined that the cost for that service had been reduced to \$3,380 annually through approval of a new contract.

Mr. King stated that Fiscal Analysis Division staff recommended reducing funding by \$1,435 in each year of the 2011-2013 biennium for costs related to late fees and contract janitorial services for the Fernley Cemetery, which were not necessary.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN HAMBRICK MOVED APPROVAL OF DECISION UNITS ENHANCEMENT (E) 250, E680, E710, E712, AND E721 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR HORSFORD SECONDED THE MOTION.

Assemblywoman Carlton said it was ironic that the Committee had just voted to eliminate the veterans' services representative positions that helped veterans receive their benefits while alive, and now the federal government was going to give the state more money to bury veterans, which meant the state would save money on veteran burials, but that savings would not be reinvested in the positions. Assemblywoman Carlton said it made no sense, and if the state was saving money it should be reinvested in the positions that would help veterans receive their benefits to invest in the state's economy.

Assemblyman Grady disclosed that he served on the Advisory Board for the Northern Nevada Veterans' Cemetery; however, he would vote on the motion currently before the Committee.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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SPECIAL PURPOSE AGENCIES
VETERANS' SERVICES
NCVA – VETERANS' HOME ACCOUNT (101-2561)
BUDGET PAGE VETERANS-9

Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the Governor recommended eliminating all General Fund support for the Veterans' Home and establishing reserves that were projected to be \$872,726 and \$1.8 million for fiscal year (FY) 2012 and FY 2013, respectively. Recommended revenues for FY 2013 increased by approximately \$1.4 million to \$17.5 million from the FY 2011 work program amount of \$16.2 million. The increases included \$1.1 million more in Client Charges revenue collected from or

on behalf of Veterans' Home residents, and \$947,499 in additional reimbursements received from the federal Veterans Administration (VA) for care of the Home's veteran residents. Conversely, revenues paid by the state's Medicaid program were recommended to decrease by 30 percent from the FY 2011 work program amount of \$5.7 million to \$4 million in FY 2013 because of the agency's projection that the Home would care for fewer Medicaid-eligible residents in the 2011-2013 biennium.

Mr. King noted that the Home had historically relied upon General Fund appropriations to pay operating costs that were eventually reimbursed with primarily nonstate revenues received following the end of the fiscal year. Current agency projections indicated that the Home would end FY 2011 with a \$631,631 surplus and, after taking into account approved General Funds of \$141,179, the net reversion to the General Fund would be \$490,452 in FY 2011.

Mr. King stated that in response to questions at the Public Safety Joint Subcommittee hearing on March 17, 2011, regarding the Home's past reliance on General Funds and the future prospect of requiring General Fund support for the Home's operation, the agency testified that until sufficient reserves were established for the account, the Home might require a temporary General Fund advance of approximately \$400,000 to meet cash-flow demands until operating costs were reimbursed. Because removal of all state appropriations was the Governor's recommendation and the agency's desire, Fiscal Analysis Division staff envisioned that authority to request a General Fund advance would only continue through the 2011-2013 biennium.

Mr. King stated that the revenue projection for the Veterans' Home was derived by estimating that on average the Home would care for 175 residents during the entire 2011-2013 biennium. Fiscal Analysis Division staff noted that the average occupancy for the Home had been 168 residents during the 2009-2011 biennium. In addition, the recommended increases in Client Charges and federal VA revenues, as well as other revenues projected to be collected by the Home for the 2011-2013 biennium, were predicated upon a 3 percent inflationary increase in payments received on behalf of the residents. Mr. King said the agency indicated that a 3 percent increase was reasonable considering inflationary increases prescribed by the federal Prospective Payment System (PPS), which was used by the Centers for Medicare and Medicaid Services to pay skilled nursing facilities like the Nevada Veterans' Home. However, in response to questions from the joint subcommittee, the agency provided information from the PPS billing notice for Federal Fiscal Year (FFY) 2011 that indicated the initial FFY 2009 inflationary

increase of 3.4 percent was reduced to 2.8 percent for PPS payments. Fiscal Analysis Division staff calculated that an adjustment to provide for a 2.8 percent inflation rate for the 2011-2013 biennium versus the Governor's recommended 3 percent rate would reduce projected revenues and reserves for the account by \$8,977 in FY 2012 and \$157,229 in FY 2013.

On April 15, 2011, said Mr. King, the Budget Division submitted a Budget Amendment (A00278) to The Executive Budget that (1) reinstated a token amount of General Funds to allow the account access to the Interim Finance Committee's Contingency Fund to address unforeseen financial events, and (2) reduced Client Charges revenue by \$135,004 to eliminate a fee increase that was inadvertently included in the 2011-2013 biennium budget recommendation.

Mr. King noted that the Governor's draft 2011-2013 biennium Appropriations Act included a provision that had been approved by each Legislature since 1999, which allowed the Home to temporarily draw funds from the General Fund if delays in the receipt of federal reimbursements would result in insufficient revenues to pay authorized expenditures. Considering that the General Fund might continue to be available to offset short-term cash-flow needs for the Home's operation, it appeared unnecessary to add General Funds to the account as proposed by the budget amendment. In addition, said Mr. King, the amendment did not explain why the proposed decrease in Client Charges revenue was offset with increases in the other revenue sources included in the account. The revenue sources that were proposed to be increased had already been increased for the Governor's recommended 3 percent inflationary increase. Mr. King noted that the adjustments recommended to the account reserves mentioned earlier would effectively eliminate the 3 percent increase that was inadvertently included in the Governor's recommendation. Because sufficient support to justify the decrease in Client Charges revenue, or the increase in other revenue sources, had not been provided by the Budget Division, Fiscal Analysis Division staff would not recommend approval of Budget Amendment A00278.

The decision, said Mr. King, was whether the Committee wished to approve the elimination of all General Fund support for the Veterans' Home and establish reserves for the account totaling approximately \$1.8 million by the end of the 2011-2013 biennium, with an adjustment to reduce the Governor's recommended revenue increase from 3 percent to 2.8 percent, and permission for the Veterans' Home to seek a General Fund advance if necessary for the 2011-2013 biennium only.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

SENATOR PARKS MOVED APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO ELIMINATE ALL GENERAL FUND SUPPORT FOR BUDGET ACCOUNT (BA) 2561, WITH AN ADJUSTMENT TO REDUCE THE RECOMMENDED REVENUE INCREASE FROM 3 PERCENT TO 2.8 PERCENT AND PERMISSION FOR THE VETERANS' HOME TO SEEK A GENERAL FUND ADVANCE IF NECESSARY FOR THE 2011-2013 BIENNIUM ONLY.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

Senator Parks commented that he had worked on the budget account for the Veterans' Home since establishment of the Home, and he believed the Legislature should thank the staff for their hard work in creating a Veterans' Home that was touted as exemplary throughout the country.

THE MOTION CARRIED. (Senator Rhoads was not present for the vote.)

Mr. King said other closing items included decision unit Maintenance (M) 101, which recommended \$25,691 from reserves in the 2011-2013 biennium for inflationary adjustments to pharmaceutical, medical, and nursing expenditures based upon the 3.4 percent medical inflation used for the federal PPS. Considering the revised federal Prospective Payment System (PPS) inflation index rate, Fiscal Analysis Division staff recommended an adjustment to the recommendation that would provide an inflationary increase consistent with the federal PPS, which would be \$20,587 in the 2011-2013 biennium. With an adjustment to reduce the inflationary rate from 3.4 to 2.8 percent for pharmaceutical, medical, and nursing expenditures, the recommendation appeared reasonable.

Mr. King said decision unit Enhancement (E) 710 recommended \$91,969 from reserves for the 2011-2013 biennium for replacement equipment. In response to questions from the joint subcommittee, the agency had provided information that indicated the cost of the server was \$17,594. With an adjustment to reduce funding recommended for the server by \$406, the recommendation appeared reasonable.

Mr. King said decision unit Enhancement (E) 733 recommended \$31,654 from reserves in the 2011-2013 biennium for maintenance of buildings and grounds, including replacement of vinyl flooring and interior painting. The recommendation appeared reasonable.

Mr. King noted that nonrecurring expenditures totaling \$355 in each year of the 2011-2013 biennium for medical provider payments had been identified in the base budget. Fiscal Analysis Division staff recommended reducing expenditures by \$355 in each year of the 2011-2013 biennium for nonrecurring medical provider payments.

Mr. King said Fiscal Analysis Division staff recommended that the Committee approve all other closing items as recommended by the Governor, including authority to make adjustments recommended by Fiscal Analysis Division staff.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN BOBZIEN MOVED APPROVAL OF DECISION UNITS MAINTENANCE (M) 101 AND DECISION UNITS ENHANCEMENT (E) 710 AND E733 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Mastroluca and Senator Rhoads were not present for the vote.)

BUDGET CLOSED.

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SPECIAL PURPOSE AGENCIES
OFFICE OF THE MILITARY
MILITARY (101-3650)
BUDGET PAGE MILITARY-1

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the Governor recommended eliminating 34 positions in each year of the 2011-2013 biennium to meet General Fund reduction targets; however, a Budget Amendment (A00360) had been submitted to restore several

of the recommended reductions. Additionally, the Governor recommended adding 10 new positions in FY 2013. Ms. Sakelarios stated that the table on page 62 of [Exhibit C](#) summarized the positions that were originally recommended for elimination or addition over the upcoming biennium.

Ms. Sakelarios said three decision units were included in The Executive Budget that eliminated positions. The first was decision unit Enhancement (E) 690, which recommended the elimination of eight maintenance and custodial positions. The second was decision unit E691, which recommended shifting the funding source for one custodial worker 2 position from 100 percent General Fund support to 100 percent federal funding. The third was decision unit E692, which recommended the elimination of four maintenance, custodial, and engineering technician positions.

Ms. Sakelarios stated that Budget Amendment A00360 had been submitted by the Budget Division on April 28, 2011, and included three new decision units, E694, E697, and E699, which were designed to adjust the General Fund in Budget Account (BA) 3650 to generate the necessary match to meet additional federal funds that had been made available to the state to continue the operation and maintenance of the National Guard facilities.

Ms. Sakelarios stated that the first new decision unit, E694, would reallocate the funding of four positions that were currently 100 percent funded through the General Fund and would split the funding between General Funds and federal funds. The decision unit would also eliminate maintenance and utility costs that had been included in The Executive Budget that were supported 100 percent by the General Fund. Ms. Sakelarios said decision unit E694 would free-up General Fund support which could be used to restore other decision units within the budget.

Ms. Sakelarios stated that decision unit E697 recommended the restoration of the expenditures for the maintenance of buildings and grounds and utilities using federal fund revenue.

According to Ms. Sakelarios, the budget amendment recommended restoration of the eight positions recommended for elimination during the 2011-2013 biennium in decision unit E690 and two of the four positions recommended for elimination in decision unit E692. The budget amendment would also revise the funding allocation for one custodial worker 2 position that was originally recommended to transfer from 100 percent General Fund support to 100 percent federal funding. The amendment would split the funding 50-50 between the General Fund and federal funding.

The decision, said Ms. Sakelarios, was whether the Committee wished to approve the Governor's amended proposal to use the General Fund savings resulting from the addition of federal funds to restore reductions and position eliminations recommended in The Executive Budget.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN KIRNER MOVED APPROVAL OF THE GOVERNOR'S AMENDED PROPOSAL, BUDGET AMENDMENT A00360, WHICH INCLUDED DECISION UNITS ENHANCEMENT (E) 694, E697, AND E699.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Senators Cegavske and Rhoads were not present for the vote.)

Ms. Sakelarios stated that decision units that were not affected by the aforementioned budget amendment included decision unit E606, which recommended the elimination of 21 vacant positions, including the Project Challenge director and 20 security officers. The elimination of those positions would result in a reduction of federal funds.

Decision unit E607 recommended the elimination of one executive assistant position, said Ms. Sakelarios, and the agency indicated that the position was recommended for elimination as part of the Governor's budget reduction measures. The position had been vacant since February 1, 2011.

The decision, said Ms. Sakelarios, was whether the Committee wished to approve the Governor's recommendation to eliminate 22 positions, including the Project Challenge director, 20 security officers, and 1 executive assistant position.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

SENATOR LESLIE MOVED APPROVAL OF DECISION UNITS ENHANCEMENT (E) 606 AND E607 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Rhoads was not present for the vote.)

Ms. Sakelarios stated that decision unit E325 recommended federal funds totaling \$67,507 in fiscal year (FY) 2013 for personnel, maintenance, and utility expenditures for the new Civil Support Team (CST) facility in Las Vegas, which was anticipated to be online in October 2012. The recommendation included the addition of one new custodial worker 2 position beginning in October 2012.

The decision, said Ms. Sakelarios, was whether the Committee wished to approve the Governor's recommendation to authorize federal fund revenue for personnel, maintenance, and utility expenditures for the new Civil Support Team (CST) facility in Las Vegas.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN HAMBRICK MOVED APPROVAL OF DECISION UNIT ENHANCEMENT (E) 325 AS RECOMMENDED BY THE GOVERNOR.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Rhoads was not present for the vote.)

Decision unit E326, said Ms. Sakelarios, recommended federal funds totaling \$189,911 in fiscal year (FY) 2013 for personnel, maintenance, and utility expenditures for the new Field Maintenance Shop (FMS) in Las Vegas, which was anticipated to be online in October 2012. The recommendation included the addition of four full-time equivalent (FTE) positions effective October 1, 2012.

The decision, said Ms. Sakelarios, was whether the Committee wished to approve federal funds totaling \$189,911 for personnel, maintenance, and utility expenditures for the new FMS in Las Vegas.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN HOGAN MOVED APPROVAL OF DECISION UNIT ENHANCEMENT (E) 326 AS RECOMMENDED BY THE GOVERNOR.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Rhoads was not present for the vote.)

Ms. Sakelarios stated that decision unit E327 recommended General Funds totaling \$419,404 in fiscal year (FY) 2013 for personnel, maintenance, and utility expenditures at the new North Las Vegas Readiness Center, which was projected to be online July 1, 2012. The recommendation included the addition of five positions beginning July 2012, including two custodial worker 2 positions, one grounds maintenance worker 2 position, one maintenance repair worker 2 position, and one HVACR specialist 2 position.

The decision, said Ms. Sakelarios, was whether the Committee wished to approve the Governor's recommendation to appropriate General Funds totaling \$419,404 in FY 2013 for the personnel, maintenance, and utility expenditures at the North Las Vegas Readiness Center.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN HARDY MOVED APPROVAL OF DECISION UNIT ENHANCEMENT (E) 327 AS RECOMMENDED BY THE GOVERNOR.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Rhoads was not present for the vote.)

Ms. Sakelarios stated that The Executive Budget included decision units E710, E730, and E731, which would have enhanced funding to the General Fund for various projects at facilities throughout the state. Decision unit E608 recommended elimination of those decision units. Ms. Sakelarios stated that Budget Amendment A00360 recommended restoration of the items recommended for elimination in decision unit E608 and recommended revisions in the funding allocation for the expenditures originally recommended in decision units E710, E730, and E731. The budget amendment recommended a General Fund reduction totaling \$22,383 in fiscal year (FY) 2012 and \$25,026 in FY 2013. Based on information provided by the agency, the recommendations, as amended in Budget Amendment A00360, appeared reasonable.

Ms. Sakelarios said decision unit E693 recommended General Fund reductions totaling \$8,838 in FY 2012 and \$10,296 in FY 2013 for expenditures for maintenance and repair of heating, ventilation, and air conditioning units. The recommendation appeared reasonable.

Decision unit E732, said Ms. Sakelarios, recommended federal funds totaling \$166,100 in FY 2012 and \$147,350 in FY 2013 for facilities maintenance projects.

Ms. Sakelarios said decision unit E900 recommended the transfer of federal funds totaling \$2,058,733 in each year of the 2011-2013 biennium from the Military Adjutant General Construction Fund, Budget Account (BA) 3652, to BA 3650 for major repair contracts. The agency transferred revenue and expenditures for construction projects into BA 3650 during the 2009-2011 biennium to simplify tracking and reporting requirements associated with American Recovery and Reinvestment Act of 2009 (ARRA) funding. The agency would prefer to transfer the authority back to BA 3650 because there would be no further ARRA funding. The recommendation appeared reasonable.

The decision, said Ms. Sakelarios, was whether the Committee wished to approve other closing items as recommended and amended by the Governor.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

SENATOR LESLIE MOVED APPROVAL OF OTHER CLOSING ITEMS
AS RECOMMENDED AND AMENDED BY THE GOVERNOR,
INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF
TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Rhoads was not present for the vote.)

BUDGET CLOSED.

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SPECIAL PURPOSE AGENCIES
OFFICE OF THE MILITARY
MILITARY CARLIN ARMORY (101-3651)
BUDGET PAGE MILITARY-13

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the Governor recommended that the Carlin Armory budget account be established within the Office of the Military with General Funds totaling \$899,877 in fiscal year (FY) 2012 and \$910,115 in FY 2013 to support operation and maintenance of the Fire Science Academy (FSA) at the Carlin Armory. Corresponding General Fund reductions were proposed in the main operating account for the University of Nevada, Reno (UNR).

On December 17, 2010, said Ms. Sakelarios, the Interim Finance Committee (IFC) approved a 20-year agreement between UNR and the Office of the Military under which UNR would continue to operate the FSA and would sublease the FSA infrastructure from the Office of the Military. On April 21, 2011, the Office of the Military informed the Fiscal Analysis Division that the federal National Guard Bureau had determined that before the transfer could be approved, Congressional approval would be required. Ms. Sakelarios stated that the Office of the Military believed Congressional approval would be received no later than FY 2013.

Ms. Sakelarios stated that the Nevada System of Higher Education (NSHE) had indicated that if the necessary federal approvals were not secured prior to budget closing, NSHE would recommend that the transfer not be approved as recommended by the Governor. Rather, NSHE would recommend that the transfer be contingently approved, but not initiated, until such time as federal approval was received. Ms. Sakelarios said upon receipt of federal approval, UNR and the Office of the Military would request approval from IFC to transfer the prorated amount of operations and maintenance funding once an appropriate date had been determined. The Office of the Military concurred with the recommendation and noted that UNR would continue to maintain the FSA facility until such time as federal approval was received.

Given the uncertain time frames involved in the approval process, said Ms. Sakelarios, Fiscal Analysis Division staff believed the recommendation was reasonable. If the Committee agreed it was reasonable to contingently approve, but delay the transfer, Fiscal Analysis Division staff would recommend the following two related actions:

Action 1: Not approve decision unit Enhancement (E) 901 as contained in The Executive Budget, which would eliminate the General Fund appropriation included in the account. Not approving the transfer would have the effect of restoring General Fund appropriations of \$899,877 in fiscal year (FY) 2012 and \$910,115 in FY 2013 to the UNR Budget Account (BA) 2980 to fund the cost of operations and maintenance at the FSA.

Action 2: Add language to the 2011-2013 biennium Appropriations Act that allowed for the transfer of General Fund appropriations for FSA operation and maintenance costs between UNR and the Office of the Military, subject to the approval of IFC, once the necessary federal approvals had been obtained.

The decision, said Ms. Sakelarios, was whether the Committee wished to contingently approve the proposed transfer of operations and maintenance funding for the FSA from UNR to the Office of the Military, while also authorizing staff to include language in the Appropriations Act to provide for the transfer of budgeted General Fund appropriations once the federal approvals were received, subject to IFC approval.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN OCEGUERA MOVED APPROVAL OF BUDGET ACCOUNT (BA) 3651 AS RECOMMENDED BY STAFF, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Rhoads was not present for the vote.)

BUDGET CLOSED.

SPECIAL PURPOSE AGENCIES
OFFICE OF THE MILITARY
MILITARY EMERG OPERATIONS CENTER (101-3655)
BUDGET PAGE MILITARY-14

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that there were no major closing issues in Budget Account (BA) 3655. She noted that Senate Bill 445 would provide specific statutory authority for the Office of the Military to collect rent for the use of all its facilities; the bill was passed by the Senate on May 10, 2011, and had been referred to the Assembly Committee on Government Affairs. Currently, the statute allowed the Office of the Military to collect rent only for the use of armories.

The decision, said Ms. Sakelarios, was whether the Committee wished to approve Budget Account (BA) 3655 as recommended by the Governor.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN HAMBRICK MOVED APPROVAL OF BUDGET ACCOUNT (BA) AS 3655 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Rhoads was not present for the vote.)

BUDGET CLOSED.

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SPECIAL PURPOSE AGENCIES
OFFICE OF THE MILITARY
MILITARY ADJUTANT GENERAL CONSTRUCTION FUND (101-3652)
BUDGET PAGE MILITARY-18

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that there were no major closing items in Budget Account (BA) 3652. She noted that decision unit Enhancement (E) 900 recommended

transferring federal revenue totaling \$2.06 million in each year of the 2011-2013 biennium from BA 3652 to the Military account (BA 3650).

The decision, said Ms. Sakelarios, was whether the Committee wished to approve Budget Account (BA) 3652 as recommended by the Governor. Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN BOBZIEN MOVED APPROVAL OF BUDGET ACCOUNT (BA) 3652 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Rhoads was not present for the vote.)

BUDGET CLOSED.

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SPECIAL PURPOSE AGENCIES
OFFICE OF THE MILITARY
MILITARY NATIONAL GUARD BENEFITS (101-3653)
BUDGET PAGE MILITARY-21

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that The Executive Budget originally proposed suspension of the National Guard Benefits program during the 2011-2013 biennium by eliminating reimbursement to Guardsmen for summer school registration and laboratory fees. The Budget Division submitted Budget Amendment A00201 that would restore the National Guard Benefits program during the 2011-2013 biennium. Ms. Sakelarios noted that *Nevada Revised Statutes* (NRS) 412.143 indicated that the Adjutant General "may" authorize payments for tuition costs for Guardsmen attending a school within the Nevada System of Higher Education (NSHE); however, there was no statutory mandate to provide tuition reimbursement.

The decision, said Ms. Sakelarios, was whether the Committee wished to approve the Governor's amended recommendation to retain the National Guard Benefits program and to restore General Fund appropriations totaling \$67,362 in FY 2012 and \$73,542 in FY 2013.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN GOICOECHEA MOVED APPROVAL OF BUDGET ACCOUNT (BA) 3653 AS RECOMMENDED AND AMENDED BY THE GOVERNOR.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Rhoads was not present for the vote.)

BUDGET CLOSED.

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SPECIAL PURPOSE AGENCIES
OFFICE OF THE MILITARY
MILITARY PATRIOT RELIEF FUND (101-3654)
BUDGET PAGE MILITARY-23

Heidi Sakelarios, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the original recommendation in The Executive Budget proposed to suspend the Patriot Relief Fund, which reimbursed Guardsmen for the costs of college textbooks and servicemen's group life insurance premiums and assisted with financial hardships. The Budget Division submitted Budget Amendment A00203 that would restore the Patriot Relief Fund activities during the 2011-2013 biennium and eliminate the recommended transfer of reserves to the General Fund during fiscal year (FY) 2012. Ms. Sakelarios noted that *Nevada Revised Statutes* (NRS) 412.1435 indicated that the Adjutant General "may" authorize the entitlements included in the Patriot Relief account; however, there was no statutory mandate to provide those entitlements to servicemen and women.

The decision, said Ms. Sakelarios, was whether the Committee wished to approve the Governor's amended recommendation to retain the Military Patriot Relief Fund, restore reserves and program funding during the

Assembly Committee on Ways and Means
Senate Committee on Finance
May 16, 2011
Page 75

2011-2013 biennium, and eliminate the General Fund reversion of \$342,368 in FY 2012.

Chairwoman Smith asked whether there was further discussion, and there being none, the Chairwoman called for a motion.

ASSEMBLYMAN BOBZIEN MOVED APPROVAL OF BUDGET ACCOUNT (BA) 3654 AS RECOMMENDED AND AMENDED BY THE GOVERNOR.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Oceguela and Senator Rhoads were not present for the vote.)

BUDGET CLOSED.

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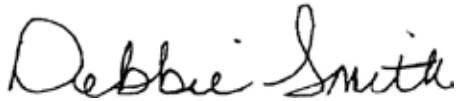
Assembly Committee on Ways and Means
Senate Committee on Finance
May 16, 2011
Page 76

Chairwoman Smith indicated that would conclude the budget hearings, and she asked whether there was public comment to come before the Committee. There being none, Chairwoman Smith adjourned the hearing at 11:55 a.m.

RESPECTFULLY SUBMITTED:

Carol Thomsen
Committee Secretary

APPROVED BY:



Assemblywoman Debbie Smith, Chairwoman

DATE: _____

Senator Steven A. Horsford, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Ways and Means/Senate
Committee on Finance

Date: May 16, 2011

Time of Meeting: 8:41 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C		Closing List #22