

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

**Seventy-Sixth Session
March 24, 2011**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on Public Safety/Natural Resources/Transportation was called to order by Chair Joseph M. Hogan at 8:04 a.m. on Thursday, March 24, 2011, in Room 2134 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412 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 SUBCOMMITTEE MEMBERS PRESENT:

Assemblyman Joseph M. Hogan, Chair
Assemblywoman Maggie Carlton, Vice Chair
Assemblyman Kelvin Atkinson
Assemblyman David P. Bobzien
Assemblyman Pete Goicoechea
Assemblyman John Hambrick

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Dean A. Rhoads, Chair
Senator David R. Parks
Senator Sheila Leslie

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Mike Chapman, Principal Deputy Fiscal Analyst
Wayne Thorley, Program Analyst
Carol Thomsen, Committee Secretary
Sally Stoner, Committee Assistant

Chair Hogan stated that the Subcommittee would commence with review of the budgets for the State Department of Conservation and Natural Resources (DCNR). Chair Hogan noted that there was considerable interest in the proposed changes in the services currently provided by the Division of Forestry (NDF).

Leo Drozdoff, P.E., Director, DCNR, said that a portion of the budget accounts for the Department had already been reviewed by the Subcommittee. He stated that the recommendation within The Executive Budget would cut the Department's budget by approximately 40 percent from the amount it had received over the 2009-2011 biennium. Mr. Drozdoff stated that over the past biennium DCNR had included eight agencies and the Director's Office, and the current budget proposal included six agencies and the Director's Office. The Commission for the Preservation of Wild Horses had been allowed to sunset, and the recommendation was to eliminate the state contribution to the Conservation Districts program.

Mr. Drozdoff realized there would be questions about the budget cuts that had been made by DCNR because to meet the 40 percent budget reduction, the Department had cut funding for some popular programs. Mr. Drozdoff pointed out that there had been four rounds of budget cuts, and DCNR was running out of options for further General Fund budget reductions.

Mr. Drozdoff stated that the budget cuts presented to the Subcommittee today had not been originally proposed by the Department, but after long and hard deliberations by division administrators, it had been determined that the cuts had to be made. The DCNR had eliminated the total General Fund support for the Division of Environmental Protection and the number of staff in the Director's Office would be reduced from 13 to 7, which represented a 46 percent budget cut. Mr. Drozdoff said DCNR also proposed to eliminate the state contribution to the Conservation Districts program. He noted that state engineer positions within DCNR and the position levels within the Division of State Lands would be the same as they had been several years ago.

Mr. Drozdoff said at the current time the budget for DCNR was very easy to understand because of the Department's remaining six agencies, only four contained General Fund revenue that could be subject to further budget cuts.

Mr. Drozdoff informed the Subcommittee that Pete Anderson and Scott Sisco would present the budget for the Division of Forestry.

INFRASTRUCTURE
CONSERVATION AND NATURAL RESOURCES
DCNR—FORESTRY (101-4195)
BUDGET PAGE DCNR-15

Pete Anderson, State Forester Firewarden, Division of Forestry (NDF), State Department of Conservation and Natural Resources (DCNR), said he would provide a short overview of the Division and would address the three major budget issues facing NDF. Mr. Anderson referenced [Exhibit C](#), "Department of Conservation and Natural Resources, Nevada Division of Forestry, Budget Presentation, Fiscal Years 2012 & 2013," which outlined his presentation.

Mr. Anderson stated that NDF's core operations focused on scientifically based management of Nevada's natural resources, which included forestry, rangeland, wildfire and watershed management. The NDF had developed a wide variety of programs and activities, some in partnership with the U.S. Forest Service (USFS), such as urban and community forestry and forest stewardship. Mr. Anderson stated that NDF operated on a statewide basis through partnerships with a variety of federal land managers and agencies, state agencies, local governments, and the private landowners of Nevada. That operation was currently conducted through 3 regional offices, 2 interagency dispatch centers, 2 nurseries, 1 air operation center in Douglas County, 9 conservation camps, 3 "all-risk" fire stations, and 34 volunteer fire stations.

Mr. Anderson said some examples of the daily work of NDF included fuels reduction projects, projects to support communities throughout the state, watershed conservation projects, habitat improvement and restoration projects in collaboration with the Department of Wildlife, forest health projects, and the completion of projects funded through the American Recovery and Reinvestment Act of 2009.

The expenditure breakdown of NDF activities was depicted on page 4 of [Exhibit C](#), and Mr. Anderson explained that NDF had gone through the priority- and performance-based budgeting process. He pointed out that NDF staff often wore “multiple hats” and everyone had a role in fighting wildfires. He stated that he was very proud of the job that had been done by NDF staff. Mr. Anderson indicated that page 5 of the exhibit depicted revenues that supported NDF and page 6 depicted NDF staffing levels, which reflected the continued decrease in staff.

Mr. Anderson pointed out that federal agencies would also face major budget cuts over the course of the upcoming biennium. The NDF relied on federal assistance and competed for federal grant funds, and that process would become more difficult in the future. Mr. Anderson stated that state forestry divisions throughout the country were working diligently to make sure that the public safety role in each state was maintained to the best of their ability.

Mr. Anderson said there were three major issues within The Executive Budget for the Division of Forestry (NDF):

1. The transfer of “all-risk” emergency service responsibilities back to Elko and Eureka Counties and the Mt. Charleston area back to Clark County and the creation of a participatory Wildland Fire Program, which would be addressed via bill draft request (BDR) 1220.
2. The closure of the Wells Conservation Camp.
3. The withdrawal of NDF from participation in the Sierra Front Interagency Dispatch Center in Minden, and consolidation of its administrative dispatch functions within the Elko Interagency Dispatch Center.

Mr. Anderson said he would address the first issue that would transfer the “all-risk” emergency service responsibilities back to Elko and Eureka Counties and the Mt. Charleston area back to Clark County. By way of background, Mr. Anderson explained that some fire districts throughout Nevada and the West provided wildfire as well as “all-risk” emergency services, such as fighting structural fires and responding to medical calls, as explained in [Exhibit D](#), “All Risk Services Transition Recommended in State Fiscal Year 12-13, Frequently Asked Questions.” Mr. Anderson said he had researched forestry divisions in other states, and while there were a wide variety of roles, only two state forestry entities—the California Department of Forestry and Fire Protection and NDF—continued to play a role in providing “all-risk” emergency services.

Mr. Anderson said that in most communities throughout the West, providing “all-risk” emergency services was the responsibility of local governments. The NDF had three remaining Chapter 73 of *Nevada Revised Statutes* (NRS) Fire Districts through which the state subsidized those “all-risk” emergency services in partnership with Clark, Elko, and Eureka Counties.

The proposal, said Mr. Anderson, was to transfer responsibility for “all-risk” emergency services back to those three counties through a transition process that would propose no station closures, and wherein NDF would continue to provide and maintain the same level of public safety. Over a period of the next 12 months to 18 months, the counties would assume full responsibility for the operation of the “all-risk” component within their fire districts, and NDF would then shift its responsibilities to wildland fire protection. Mr. Anderson said it was NDF’s goal to provide all 17 counties, if those counties so desired, with an opportunity to participate in the Wildfire Protection Program in partnership with NDF.

Mr. Anderson stated that Nevada’s counties were very diverse in the various levels of emergency services provided, depending upon the specifics of the area. He emphasized that a “one-shoe-fits-all” concept would not work for the fire districts within the 17 counties, and NDF planned to eventually transition to a customized plan for each county. Some counties had very little wildfire risk while others had significant risk, and NDF wanted to make sure it designed programs that provided for a strong initial wildfire attack that protected the state’s interest and kept fires small.

Mr. Anderson indicated that the goal of NDF was to quickly control large fires, and it had a 95 percent average rate of catching wildland fire-starts because of the coordinated effort between local government fire departments, federal agencies, and NDF. Mr. Anderson wanted to maintain that level of performance or even improve upon it, and to do that, there had to be a strong initial attack plan. The NDF partnership with each of the counties would help attain that goal. Mr. Anderson stated that bill draft request (BDR) 1220 had been submitted by the Budget Division to facilitate the aforementioned transition. According to Mr. Anderson, the transition of “all-risk” emergency services to the three remaining counties was the foundation of multiple budget cuts within the Division and would change the way NDF conducted business.

Mr. Anderson said page 10 of [Exhibit C](#) depicted the services that NDF currently provided to the state's county governments as follows:

- Provided "all-risk" emergency services to Elko, Eureka, and Clark Counties.
- Provided various degrees of wildland fire protection to Elko, Eureka, and Storey Counties, the Mt. Charleston area of Clark County, and Carson City.
- Provided 24-hour mutual aid only to the remaining counties throughout Nevada.

Mr. Anderson indicated that page 11 of the exhibit explained the reason NDF would make the proposed changes. He reiterated that there was a great deal of disparity and inequity in how local governments were provided NDF emergency services throughout the state. The transition of the "all-risk" services was an opportunity to become consistent in service delivery and to develop a program that would benefit all 17 counties.

By law, said Mr. Anderson, federal land managers were prohibited from paying for wildfire suppression on state and private lands, and it was the role of state and local governments to maintain that responsibility. Mr. Anderson explained that counties with no access to NRS Chapter 473 Fire Districts did not have a mechanism to participate in a participatory wildfire protection program that provided access to fire suppression funding in the event a wildfire escaped the initial-attack window and became an extended-attack fire. As everyone was aware, millions of dollars could be spent in a short period of time when a wildfire escaped the initial-attack window.

Page 12 of [Exhibit C](#) depicted the potential savings to the state through the transition of "all-risk" emergency services back to Elko, Eureka, and Clark Counties. Mr. Anderson stated that NDF had retained the services of a consultant who reviewed the support provided by NDF for the "all-risk" component and the fact that the transition would allow NDF to downsize in several areas. The potential overall savings to the General Fund would be \$1,151,960.66.

Mr. Anderson explained that an "all-risk" transition plan would be developed for each county—Elko, Eureka, and Clark—to ensure that public safety was maintained. The plan would be based on recent transitions of those services to White Pine, Washoe, Douglas, and Storey Counties, which had been seamless. Mr. Anderson said it would take a significant amount of work, and many details

would need to be worked out to ensure the continuation of services. The common goal of NDF and the counties in making the transition was that no reduction in services would occur. Mr. Anderson said that NDF hoped to work with the three remaining counties to accomplish that goal within the 12- to 18-month window, and if there were hurdles or areas where the counties could not address infrastructure or equipment needs, NDF would address those needs.

Page 14 of the exhibit depicted how the Wildfire Protection Program would function. Mr. Anderson said NDF wanted to ensure that county volunteer staff and NDF staff were fully prepared, trained, and equipped to work with federal land managers in the suppression of wildland fires. It was important to note that NDF was the initial-attack resource for most of the state because of the rural nature of Nevada outside the Truckee Meadows and the Las Vegas valley areas. Mr. Anderson stated that NDF's conservation camp crews, its seasonal program staff, and the strong volunteer program throughout the state were the first responders to wildfires. Transitioning to a participatory Wildfire Protection Program would allow NDF to work with each county to develop a program that best fit the needs of that county. Additionally, said Mr. Anderson, there was an opportunity to leverage stronger partnerships with federal agencies because the federal government owned and managed 86 percent of the land in Nevada.

The second major issue within NDF's budget was the closure of the Department of Corrections' (DOC) Wells Conservation Camp. Mr. Anderson said that realities were "tough," and NDF was in a very difficult situation because there were only so many General Fund dollars that could be cut. As previously mentioned, the budget cuts within the State Department of Conservation and Natural Resources had been made after much deliberation, and many of those cuts were not popular.

Mr. Anderson stated that there had been an ongoing reduction in the number of qualified inmates available to NDF from DOC, and that had been taken into consideration when budget cuts were studied. The NDF had also taken into consideration the location of the Wells Conservation Camp and how NDF could best serve the response areas.

Chair Hogan informed Mr. Anderson that the Subcommittee had questions regarding the transition of the "all-risk" emergency services to Elko, Eureka, and Clark Counties.

Assemblyman Bobzien stated that during his time at the Legislature, he had learned a great deal about the *Nevada Revised Statutes* (NRS) Chapter 473 Fire Districts that were subsidized by NDF and the NRS Chapter 474 or county-operated Fire Districts, and he asked whether there had been a response from the three counties involved in the transition. He noted that Mr. Anderson appeared very excited about the proposal, but he wondered how the counties had responded.

Mr. Anderson said that he and Director Drozdoff had met numerous times with officials from Elko, Eureka, and Clark Counties. There were mixed feelings on the part of county officials about the transition and how it would work for each county. Mr. Anderson explained that each county faced unique challenges, and significant concerns had been voiced by the counties and by residents within those fire districts. Based on past transitions, Mr. Anderson believed it would require a cooperative effort and partnership between NDF and the counties to complete the proposed transition. While it would not be an easy process, it was one that NDF had accomplished in the past and could do so again. The common goal across-the-board was public safety, and Mr. Anderson emphasized that NDF did not want to take any action that would jeopardize public safety.

Assemblyman Bobzien asked whether there would be any legal consequences for termination of agreements or would the transition be possible within the constraints of the proposed BDR.

Mr. Anderson said the statutes pertaining to the current partnership between NDF and the three counties via the NRS Chapter 473 Fire Districts would be changed by the BDR. Once the legislation was passed, agreements would have to be rewritten and changes would occur, not only at the county level, but perhaps also at the regional level, depending upon the agreements between NDF and the counties, other states, and federal agencies. Again, said Mr. Anderson, the agreements would be addressed over the approximately 12- to 18-month transition period. He noted that successful transitions had occurred in the past with Washoe and Douglas Counties, but it had required a significant amount of work on the part of NDF and the counties.

Senator Parks said it was his understanding that the transition for the Mt. Charleston Fire Station would become effective on July 1, 2012, and he asked whether that was correct. Senator Parks also asked whether NDF would relinquish ownership of its Mt. Charleston facility to Clark County.

Mr. Anderson replied that the target date for transition in all three counties was July 1, 2012. However, should issues arise that required adjustment of that date, NDF would be happy to extend the time frame. Mr. Anderson believed the transition could be completed by the target date.

Regarding facilities and equipment, Mr. Anderson said that had been a major issue in past transitions, and NDF had conducted very detailed inventories to determine ownership. It was interesting to note that in many fire stations the number of both volunteer and full-time staff had increased and been paid for through a variety of sources over the years. Mr. Anderson reported that the three counties would ultimately receive ownership of the current facilities and would provide services from those facilities. The NDF would work through the details pertaining to each property as the transition progressed.

Chair Hogan asked Mr. Anderson to describe the remaining responsibilities of NDF upon completion of the transition.

Mr. Anderson said the Division's goal was to have all 17 counties participate in wildfire management on a comprehensive basis that would include preparedness, prevention, and suppression. Not every county had the same risk for wildfires as others, so participation would vary across the state. Mr. Anderson saw NDF's role as very critical in continuing to work with private landowners in the development of fuels reduction projects around the state, thereby lowering the risk for catastrophic wildfires, and in continuing to grow and develop partnerships with each of the counties.

Mr. Anderson explained that many of the earlier transitions had been driven by urban development. As communities changed and fire hydrants were installed, the needs and expectations of the residents in those more urbanized communities changed because there was no longer a rural atmosphere. Mr. Anderson saw the role of NDF as managing natural resources, watershed management, and forest health. The NDF's camp program was and would continue to be very strong throughout the state. Mr. Anderson indicated that the NDF crews from the conservation camps would continue to be the Division's initial-attack assets. Overall, the only real changes in the "all-risk" arena would be in the three remaining counties, and NDF would offer full support to those counties during the transition.

Assemblyman Goicoechea asked for clarification regarding the responsibilities of an NRS Chapter 473 Fire District and an NRS Chapter 474 Fire District. He noted that NDF said the transitions had been seamless; however, as

a resident of White Pine County, he believed there had been a tremendous “hit” in available services when that county made the transition. In the event of a wildland fire, Assemblyman Goicoechea wondered who would be responsible for paying for fire suppression expenses and “all-risk” services.

Mr. Anderson said NDF currently operated three NRS Chapter 473 Fire Districts in Elko, Eureka, and Clark Counties. The NDF partnered with the counties in those Fire Districts, with the county paying the day-to-day operating costs of the Fire District. The NDF brought several assets to those Fire Districts during wildland fire periods, but the counties absorbed the majority of the costs associated with providing “all risk” services. However, if an incident such as the flooding and avalanches that occurred in Clark County in December 2010 went into overtime, the state emergency account would assist the NRS Chapter 473 Fire District with the costs of that incident.

According to Mr. Anderson, an NRS Chapter 474 Fire District was one of several facilities that counties could use to maintain their emergency services and service levels for their communities. He explained that counties could also use NRS Chapter 318 general improvement district facilities, but ultimately it was the responsibility of local governments to provide the “all-risk” emergency services. An NRS Chapter 474 Fire District was solely funded and operated by the county. Mr. Anderson commented that there was definitely a difference between the two types of fire districts, and that difference would create a change in responsibilities when the transition was complete because the counties would be responsible for payment of overtime if an incident went beyond initial attack.

Mr. Anderson said that the participatory Wildfire Protection Program would work hand-in-hand with the transition, but the responsibility for wildfires would remain with NDF. He wanted to make sure there was no confusion between wildfire responsibility and the responsibility for “all-risk” emergency services. Mr. Anderson said NDF wanted to be the wildfire leader for the State of Nevada and wanted to work with federal agencies to finalize agreements. The goal was to make that responsibility clear to everyone throughout the state.

The counties would be partners in the suppression of wildfires, said Mr. Anderson, and they would need to bring resources to the table to help build the seasonal program, conduct prevention activities, and work together on preparedness. He reported that NDF had access to significant federal resources and had placed engines in volunteer fire departments throughout the state.

The NDF would continue to support the counties and continue to provide emergency assistance for those wildfires that escaped initial attack.

Mr. Anderson stated that NDF continued to reduce its responsibilities in the "all-risk" arena because there was a point in time when NDF needed to focus on what it did best—wildfire suppression.

Assemblyman Goicoechea said it was his understanding that with an NRS Chapter 473 Fire District, if a fire started on private property and escaped onto public lands, the risk to the private property owner and the local government was far less because NDF and the state would participate in fighting the wildland fire. Under an NRS Chapter 474 Fire District, when a fire started on private property and spread to public lands, the bill for fighting that fire was sent back to the local government and the private property owner. Assemblyman Goicoechea asked whether that was correct.

Mr. Anderson explained that fire billing considered the acreage involved, and all responsible parties worked together to resolve the cost of the incident. The starting point of the fire was not usually the focal point; the first priority was to extinguish the fire and after that had been accomplished, the other factors were reviewed to determine billing. Mr. Anderson stated that the billing process had become quite complicated over the past ten years because of federal agencies ordering significant resources that might or might not have been needed, depending upon the incident and NDF's capacity. He believed it was critical that NDF continued to play a role in wildland fire suppression in all 17 counties to manage exposure and make sure the state was not paying for resources that should not have been ordered.

Mr. Anderson emphasized that NDF did not have statutory authority for "all-risk" emergency services, but it did have statutory authority for wildland fire suppression, and even when the "all-risk" piece was transitioned to the last three local governments, NDF would continue to have a presence in those counties for wildfire suppression. There would still be an opportunity for every county to work together with NDF to create a very strong wildfire program.

Assemblyman Goicoechea pointed out that there was a railroad "checker board" across northern Nevada that included significant acreage, and there could be exposure to the property owner and local governments if the counties assumed "all-risk" services. The bottom line was that the first agency on the scene of a fire was the one that "named it and claimed it," and if a federal agency was the first on the scene, that agency would order in significant resources and

spend three weeks fighting a fire that should have been out in three hours. Assemblyman Goicoechea emphasized that there was exposure back to the county and/or the property owner to pay a portion of the bill for fighting a fire. He believed that the Subcommittee should be very aware of that exposure, and even though NDF had statutory authority to respond to wildland fires, it was still about the responding agency. Assemblyman Goicoechea stated that transitioning the "all-risk" services to local governments might create a weaker response to wildland fires, which then might escape, thereby causing a federal agency response. That situation could create a \$10 million fire that could be billed to the state, the property owner, and/or the county.

Mr. Anderson agreed with Assemblyman Goicoechea, and that was the reason NDF was brining the two pieces together—the transition of the "all-risk" emergency services to the remaining three counties, and the BDR that would allow NDF to continue a statewide Wildfire Protection Program that would be available to all counties. Mr. Anderson believed it was important to remember that NDF was not exiting the wildland fire business, but wanted to strengthen and expand that business while allowing the counties to provide the "all-risk" services to the best of their ability to meet the needs of their residents.

Senator Rhoads referred to page 12 of [Exhibit C](#), and asked whether Elko County would have to pay an additional \$409,775.71 to provide the "all-risk" services.

Mr. Anderson said that the objective was to look closely at how the state was doing business. For example, NDF would continue to work with Elko County to ensure that the same level of public safety was maintained. The figure on page 12 reflected the cost to the state to operate the dispatch center and process fire drills on "all-risk" incidents.

Senator Rhoads asked whether Elko County would take over those services, and Mr. Anderson stated that was correct. Senator Rhoads asked whether that would create additional costs for the county. Mr. Anderson said it would create additional costs for the county, but he did not know whether the additional costs would be over \$400,000.

Leo Drozdoff, P.E., Director, State Department of Conservation and Natural Resources (DCNR), said that page 12 of the exhibit depicted the subsidy paid by NDF for "all-risk" services for the three remaining counties. Both management and support services were required to provide "all-risk" services, and the savings to the state because of the transition would be

significant. Mr. Drozdoff said because there was a cost to NDF to operate the NRS Chapter 473 Fire Districts, there would also likely be additional costs to the counties to assume those duties.

Assemblyman Hambrick referenced page 12 of the exhibit, which depicted a savings of \$140,102.36 because of the transition of "all-risk" services at the Mt. Charleston Fire Station. He had been advised that Clark County was more than willing to pay that amount to NDF to continue operation of the facility, which was in disrepair. The county believed it would be required to build a new fire station because the cost to repair the old site would be significantly higher than the cost to construct a new facility. Assemblyman Hambrick reiterated that Clark County would be happy to pay its share to maintain the facility and to continue the employment of the current firefighters rather than transferring those firefighters to another station. He believed that would create a situation where there would be no loss to the state and it would benefit the county.

Mr. Drozdoff said Clark County had not discussed that issue with DCNR. He and Mr. Anderson had met and discussed the situation with officials from Clark County on at least three occasions. Mr. Drozdoff emphasized that Clark County had been a very loyal partner with NDF, but officials had not presented the position described by Assemblyman Hambrick during previous discussions. Mr. Drozdoff said that page 12 of the exhibit also depicted the additional NDF cuts made possible by the transition, and he explained that there were additional costs involved over and above the \$140,102.36. The NDF staff in Clark County provided management, administrative, and payroll support to the program. By transitioning the "all-risk" services back to the three remaining counties, NDF had been able to make an additional budget cut of \$539,061.

Mr. Drozdoff indicated that he would be happy to again discuss the situation with Clark County, but there was more involved in the transition than the subsidy that the state paid to support the Mt. Charleston facility.

Assemblywoman Carlton asked what would happen to the people who were assigned to the remaining NRS Chapter 473 Fire Districts. She opined that a person who worked at the fire station on Mt. Charleston probably also resided in that area.

Pete Anderson, State Forester Firewarden, Division of Forestry (NDF), State Department of Conservation and Natural Resources (DCNR), stated that in all past transitions, NDF employees had been ranked right behind public safety. The NDF wanted to do everything possible to ensure a seamless transition such

as those conducted in the past. Mr. Anderson said NDF employees had become county employees through creation of a county-owned NRS Chapter 474 Fire District, and that was the ultimate goal with the proposed transition.

Mr. Anderson emphasized that NDF did not want to cause a reduction in service and that included the personnel who provided services to residents of Mt. Charleston and Elko and Eureka Counties. The personnel at the Mt. Charleston station played a key role in fire suppression because they were trained and experienced with the terrain. The very best solution would be a seamless transfer, which NDF believed was possible, and NDF would work with the county to establish an NRS Chapter 474 Fire District.

Senator Parks said that page 12 of the exhibit indicated that the additional NDF cuts would be effective July 1, 2011, yet the transition would not be final until July 1, 2012, and he asked for clarification.

Leo Drozdoff, P.E., Director, DCNR, stated that was correct. The Department had to meet a certain budget target, and the cuts would be made in July 2011. It would take an additional year to work through the transition with the remaining NDF staff. Mr. Drozdoff said in an "ideal world" it would have been better to match the budget reductions with the transition, but NDF was confident that it could work through the transition following past models.

Senator Parks commented that persons who resided in the Mt. Charleston area would prefer to pay additional property taxes for fire protection rather than find themselves in a situation where there was inadequate coverage.

Chair Hogan said it was ironic that in all the cuts that the Subcommittee was attempting to deal with in the budget hearings for agencies, the most anxiety appeared to arise from reductions in the most treasured services, such as health care, education, or fire protection, which brought a certain intensity to the concerns, and he certainly felt that intensity with the proposed transition of "all-risk" emergency services. Chair Hogan pointed out that the cuts were not proposed because of a failure to spend the funds wisely, but because of the necessity to cut General Fund revenue. He hoped NDF would make every effort to ensure that the services and protections that had been available would, to the greatest extent possible, be continued in the cooperative effort between the counties and the state.

There being no further questions regarding the proposed transition, Chair Hogan asked Mr. Anderson to continue his budget presentation.

Pete Anderson, State Forester Firewarden, NDF, DCNR, referred to page 15 of [Exhibit C](#), which depicted the second key issue of NDF's budget—the closing of the Wells Conservation Camp. The decision had been made because of the realities of the mandated budget cuts and the ongoing reduction in the number of qualified inmates available from the Department of Corrections (DOC) to man the conservation camps.

Mr. Anderson indicated that NDF had carefully canvassed its conservation camp program. He pointed out that it was very difficult to consider closing any of the conservation camps because each camp did an excellent job and played an important role in the communities. Mr. Anderson pointed out that the camps generated revenue for the General Fund and closing the Wells Conservation Camp had been a very difficult decision.

According to Mr. Anderson, NDF determined how best logistically to cover the northeast corner of Nevada, and it was determined that Carlin Conservation Camp was somewhat unique because it was located closer to Wells; however, he believed that there would be effects and a longer response time to wildland fires because of the closure of the Wells Camp. The proposal included moving some employees to the Carlin Conservation Camp, while other employees were qualified for retirement. Mr. Anderson stated that closure of the Wells Conservation Camp had been a major decision, and NDF would do its best to maintain the current level of project work and emergency response in that area of the state.

Senator Rhoads said it cost \$23,000 to house an inmate within DOC and \$14,000 to house an inmate in one of the conservation camps. He believed that DOC was surveying its population to ascertain whether there were a sufficient number of inmates who qualified for conservation camp placement, which would ultimately save the state many thousands of dollars. Senator Rhoads asked whether NDF was aware of that fact.

Mr. Anderson said he had been following the testimony presented by DOC and was aware of the recent developments. However, NDF had been required to make mandated budget cuts and closure of the Wells Conservation Camp saved a significant amount of General Fund revenue within NDF's camp program, even though the camps also generated a significant amount of revenue. The closure of the Wells Camp was budget-cut-driven, and Mr. Anderson said the availability of qualified inmates would help maintain the NDF-run conservation camps. He noted that the conservation camps consistently ran low on qualified inmates, and part of the problem appeared to be that there were many programs that

diverted the same category of inmates. Mr. Anderson explained that different legislation and programs affected an inmate's ability to earn good-time credits, and that also had an effect on the conservation camp program.

Assemblyman Goicoechea said that the map clearly showed that Wells was located in Elko County, and the transition of "all-risk" emergency services was being proposed for Elko County along with the closure of the Wells Conservation Camp. Assemblyman Goicoechea pointed out that there was a tremendous wildfire threat in the northeastern corner of the state. That area had burned a number of times in the past and the risk of exposure was great, and with the changes proposed by NDF, the ability to respond to wildland fires would be greatly diminished. He believed that the Subcommittee should consider that fact as it reviewed the budgets for NDF, because Elko County would be assuming additional risk while losing available resources. Assemblyman Goicoechea was aware of the mandated budget cuts, but he wanted the Subcommittee to be aware of the facts.

Continuing his presentation, Mr. Anderson referred to page 16 of [Exhibit C](#), which described NDF's withdrawal from participation in the Sierra Front Interagency Dispatch Center. Again, NDF found itself in very difficult budgetary times, and the Sierra Front Interagency Dispatch Center was one component it felt could be consolidated with the 24-hour Elko Interagency Dispatch Center.

Mr. Anderson stated that at the present time, the Sierra Front Interagency Dispatch Center operated as a shared facility with NDF, the Bureau of Land Management (BLM), and the U.S. Forest Service (USFS). The state owned the building, and the proposal had been discussed with both BLM and USFS. Mr. Anderson stated that NDF would work out agreements and leases if and when the proposal was approved. A presence would remain in Minden, but NDF administrative radio traffic would be consolidated within the Elko Interagency Dispatch Center.

Mr. Anderson stated that current technology allowed the consolidation of the dispatch centers. The NDF was aware that there would be differences in dispatching for the entire state from a centralized area, and was aware that some training and operational changes would need to occur. However, said Mr. Anderson, NDF was confident that the consolidation would function well. He advised that everyone should be cognizant of the fact that federal agencies and local government response agencies were also considering consolidation of dispatch services. Over the next year, Mr. Anderson believed there would be

various opportunities to determine the best way to provide statewide dispatch coverage.

Assemblyman Bobzien said that even though technological advances in dispatch made it possible to consolidate and provide dispatch services from the Elko Interagency Dispatch Center, it sounded doubtful. His comment was "pick your disaster scenario" for the next big fire in the Tahoe Basin when there would be no dispatch center in Minden. Assemblyman Bobzien asked how the Elko Interagency Dispatch Center could dispatch for a fire in the Tahoe Basin.

Mr. Anderson explained that the Tahoe Basin was not covered by the Sierra Front Interagency Dispatch Center, but rather was covered by the Camino Interagency Dispatch Center in California. He stated that the workload of NDF had diminished because of the transitions of NRS Chapter 473 Fire Districts to the counties. Certainly, said Mr. Anderson, NDF would continue to support the Sierra Front Interagency Dispatch Center during a significant fire year and would provide personnel to assist with expanded dispatch when needed. Mr. Anderson noted that NDF's aviation resources would remain at the Minden airport.

Mr. Anderson said the technology was new and dispatch was an area that was expanding and changing very rapidly. He believed that the state should work with its federal partners and local governments in the future to determine the best way to provide combined dispatch services. Mr. Anderson said the concept would be a more regionalized approach rather than each entity dispatching for individual geographic areas.

Assemblyman Bobzien asked whether the state was making it easier for federal agencies to roll back services at the Sierra Front Interagency Dispatch Center because of the lack of NDF presence, and he wondered whether the state would eventually end up with mothball costs to shut down the facility.

Mr. Anderson said at the present time both USFS and BLM were committed to remaining with the Sierra Front Interagency Dispatch Center for the next year or two, but he could not predict how long that might last because the federal agencies were facing the same budget constraints as the state. Mr. Anderson indicated that the federal government had a tremendous land management responsibility in Nevada, and the eventual mix of federal dispatch centers would be one that functioned well for the entire state. He explained that the federal government was undertaking a study of the five interagency dispatch centers

throughout the state, and consolidation of those centers was under federal consideration.

Assemblyman Goicoechea said the issue was truly about dispatch and response, and he noted that the response time equaled dollars. How quickly resources could be dispatched to the scene of a fire could be the difference between a \$50,000 fire and a \$5 million fire. He recalled the horrendous fire in 1999 that burned over one million acres in northeastern Nevada, and he asked about the state's cost for that suppression effort. That was ultimately the bottom line, said Assemblyman Goicoechea, and the state would remain responsible for fire suppression costs. If a federal agency was the first responder and claimed the fire, then the federal government would submit bills back to the state.

Assemblyman Goicoechea asked whether Mr. Anderson knew what the cost had been to the state for the 1999 fire in northeastern Nevada. Mr. Anderson stated that he could not remember what those costs had been, but it had been significant. Assemblyman Goicoechea said as changes were made in the dispatch centers, any lag that created the inability to access needed resources would ultimately cost the state money. He opined that the savings that would be realized by combining the Sierra Front Interagency Dispatch Center and the Elko Interagency Dispatch Center would end up costing the state many millions of dollars in exposure. Assemblyman Goicoechea wanted to make sure the Subcommittee was aware of that possibility.

Continuing his presentation, Mr. Anderson stated that page 17 of [Exhibit C](#) depicted the five budget accounts (BA) within the Division of Forestry (NDF):

1. Forestry Administration, BA 4195
2. Forest Fire Suppression, BA 4196
3. Forestry Conservation Camps, BA 4198
4. Forestry Inter-Governmental Agreements, BA 4227
5. Forestry Nurseries, BA 4235

According to Mr. Anderson, budget account (BA) 4235, Forestry Nurseries, would not be discussed today, but information pertaining to that account was contained in [Exhibit C](#) for the Subcommittee's review. He commented that NDF was also feeling the economic downturn in its nursery program, which was an enterprise account that received no General Fund support, and the feasibility of continuing that program was in jeopardy. Mr. Anderson explained that NDF's nursery program was experiencing a very dire financial situation.

Mr. Anderson referred to page 18 of the exhibit, which depicted the achievements made by NDF, particularly the fact that it had completed a two-year effort to develop the Statewide Assessment and Strategies for Forest Resources, which would allow NDF to compete for federal funds and grants and target its existing funds to address its highest-need projects.

Mr. Anderson stated that Senate Bill No. 94 of the 75th Session directed NDF to review and evaluate laws and regulations pertaining to fire protection in the Lake Tahoe Basin and the Lake Mead Basin, which had been completed. Mr. Anderson stated that he looked forward to discussing the recommendations included in the "Report to Nevada State Legislature SB-94" that had been compiled and prepared by NDF.

Mr. Anderson indicated that NDF had also completed its second annual report on progress for fire and fuels reduction and forest restoration in the Lake Tahoe Basin.

Mr. Anderson stated that Scott Sisco would address the specific decision units in budget account (BA) 4195.

Scott Sisco, Administrative Services Officer (ASO), NDF, DCNR, stated he would review the decision units depicted on pages 19 and 20 of [Exhibit C](#). The first decision unit for discussion was Enhancement (E) 606, which implemented a new method for counting "active" volunteers. Mr. Sisco explained that for years NDF had been counting volunteers in the volunteer fire departments (VFD) that it supported to provide payment for physical examinations (physicals) and worker's compensation insurance. Those volunteers were currently counted if they attended a meeting during the course of the quarter. The new proposal was that if a volunteer attended training as an active volunteer or responded to an incident as a volunteer, they would be counted as active for the purpose of worker's compensation insurance, otherwise volunteers would not be counted on the active roster. Mr. Sisco explained that would save the state approximately \$43,000 per year.

Assemblywoman Carlton said her concern was changing the responsibility for paying the cost for physicals for volunteers. Mr. Sisco said the issue was both the cost of physicals and providing worker's compensation insurance for volunteers. The NDF realized less than 1 percent compliance within VFDs for volunteers completing the required physicals. The change pertained more to providing worker's compensation for "active" volunteers.

Assemblywoman Carlton opined that NDF was “walking into a real briar patch” with the proposal to develop a new method for counting “active” VFD volunteers. The costs for physicals and worker’s compensation insurance for volunteers had been discussed for a number of years, and Assemblywoman Carlton was not sure that Mr. Sisco was aware of everything that had transpired in that area over the past few years. Changing the definition was not as simple as it sounded.

Mr. Sisco indicated that NDF planned to continue to pay for those services, but those services would not be provided for VFD members who only attended one meeting per year and failed to attend training or respond to incidents. However, if volunteers attended training and responded to incidents they would automatically be covered for worker’s compensation insurance and the cost of physicals. Mr. Sisco said NDF had sustained a 220 percent increase in worker’s compensation premiums for the upcoming biennium; therefore, if volunteers did not participate in training and failed to respond to incidents, they would not be counted as “active” volunteers. Mr. Sisco explained that NDF reported to the Risk Management Division quarterly for the previous quarter and was billed accordingly.

Assemblyman Goicoechea said he authored a bill this session that would address the issue of establishing “active” volunteer rosters and would change the requirements from annual physicals to physicals every two years. Assemblyman Goicoechea had spoken with the insurance carriers, and he believed the bill would resolve some of the issues addressed by NDF in decision unit Enhancement (E) 606. He agreed that “active” rosters could list as many as 40 volunteers when only 10 of those volunteers were actually active. As a volunteer, the only time the worker’s comprehensive coverage, particularly the heart and lung coverage, was in effect was when the volunteer was on the scene of an incident.

Continuing his presentation, Mr. Sisco offered the following explanation of decision units, which were the result of transitioning the “all-risk” services back to the remaining three counties, thereby allowing NDF to review its workload and make additional cuts:

- E674 was a statewide decision unit from the Budget Division and would reduce the holiday premium pay paid to employees scheduled to work on official state holidays from time-and-a-half to straight-time.

- E690 would withdraw NDF participation in the Sierra Front Dispatch Center through consolidation of the remaining dispatch needs within the 24-hour Elko Interagency Dispatch Center.
- E691 would eliminate the southern regional forester position in Las Vegas because of the transition of "all-risk" emergency services back to the counties. That would allow NDF to merge the duties and responsibilities with other senior managers, including the southern Nevada fire and resource management officers.
- E692 would eliminate the administrative assistant 2 position in the Carson City office responsible for public assistance, telephones, staff uniform purchases, and separation of duties for internal control requirements.
- E693 would eliminate the administrative assistant 2 position in Carson City responsible for payroll functions, including collection and auditing of employee timesheets.
- E694 would eliminate the administrative assistant 2 position in Las Vegas responsible for public assistance, financial transactions input, and separation of duties for internal control requirements.
- E695 would eliminate the administrative assistant 2 position in Elko responsible for public assistance, financial transactions input, and separation of duties for internal control requirements.
- E697 would eliminate the deputy state forester position located in the Carson City headquarters office and distributed responsibilities to senior managers in NDF.
- E698 would reduce the budgeted transfer of cost assessment funds from BA 4227 paid by the counties in fiscal year (FY) 2013 in line with the reduction of support NDF would provide with the transfer of "all-risk" services back to the counties.

Mr. Sisco explained that decision unit Maintenance (M) 425 would fund deferred maintenance items for NDF facilities across the state, and decision unit Enhancement (E) 710 would fund the Department of Information Technology's authorized computer replacement schedule.

Mr. Sisco stated that the budget for NDF also included two one-shot funding requests. The first was for radio equipment that was needed for NDF to become narrowband-compliant with the Federal Communications Commission (FCC) mandates by January 2013. The request was for \$162,267, which would address dispatch radio consoles and the necessary reprogramming. The second one-shot funding request was for \$677,344 for equipment, which would

include two wildland fire engines, one shop truck, and various diagnostic scan tools.

Assemblywoman Carlton asked for clarification regarding the one-shot funding request that included the vehicle exhaust system for the Mt. Charleston Fire Station and whether that would replace an existing exhaust system or establish a new system. Mr. Sisco said the funding was requested to establish a new exhaust system. He explained that currently two fire trucks backed into the station several times a day and the exhaust from those trucks flooded the living quarters above the station. Even though the long-term lease of the facility would be transferred to Clark County, NDF believed that was a health/safety issue that had to be addressed.

Assemblywoman Carlton believed that the same request had been submitted to the 2009 Legislature, and she was somewhat concerned that the exhaust system had not been installed. Mr. Sisco explained that NDF had struggled with the budget cuts that commenced in 2008, and funding for maintenance had eventually been cut. He concurred that the exhaust system had been previously funded, but NDF had reverted that funding because of budget cuts.

Mr. Sisco reiterated that the one-shot request for radio equipment would be addressed by bill draft request (BDR) 1247, and it was very critical for NDF to comply with the FCC's narrowband mandates by January 2013. If NDF failed to comply with those mandates, it would be pulled off the air or the state would incur substantial penalties every day for every radio in operation.

Chair Hogan asked whether there were additional questions regarding budget account (BA) 4195, and there being none, the hearing was closed. The Chair opened the hearing regarding BA 4196.

INFRASTRUCTURE
CONSERVATION AND NATURAL RESOURCES
DCNR—FOREST FIRE SUPPRESSION (101-4196)
BUDGET PAGE DCNR-30

Pete Anderson, State Forester Firewarden, Division of Forestry (NDF), State Department of Conservation and Natural Resources (DCNR), stated that NDF had worked diligently with its federal partners to update the Master Agreement. The Division strived to improve the fire billing process, not only from a time standpoint, which inherently had been an issue for many years, but also to require sufficient documentation to support the bills received by NDF.

Chair Hogan asked whether there were any questions regarding budget account (BA) 4196, and there being none, the hearing was closed. The Chair opened the hearing regarding BA 4198.

INFRASTRUCTURE
CONSERVATION AND NATURAL RESOURCES
DCNR—FORESTRY CONSERVATION CAMPS (101-4198)
BUDGET PAGE DCNR-33

Pete Anderson, State Forester Firewarden, Division of Forestry (NDF), State Department of Conservation and Natural Resources (DCNR), indicated that page 23 of [Exhibit C](#) contained information about NDF's Conservation Camp program, which had been very effective throughout the state. Mr. Anderson pointed out that most counties and communities had been the recipients of project work performed by the crews from the Conservation Camp program.

Mr. Anderson stated that NDF had been able to meet or exceed its revenue targets each year and provided a significant amount of support to a variety of other state agencies through the day-to-day operation of the Conservation Camp program.

Chair Hogan noted that page 29 of [Exhibit C](#) depicted the achievements for the Forestry Nurseries program. One of those achievements was completion of a new Las Vegas greenhouse by inmate work crews from NDF's Conservation Camp program. He asked about earlier testimony that indicated NDF's nurseries were suffering economic stress.

Mr. Anderson explained that over the past four to six years, NDF had focused on refurbishing its nurseries. Many NDF greenhouses had been wired and taped together, and Mr. Anderson said that through a variety of means, NDF had been able to improve the greenhouses and shade houses at both NDF nursery facilities. Mr. Anderson indicated that NDF's nurseries were now able to produce a larger amount of significantly healthy plants. The current financial struggle was because of a lack in sales, and Mr. Anderson explained that the nurseries had attempted to shift to large-scale, long-term growing contracts for both federal and state agencies. He opined that the current economic situation had created difficulties for NDF and many small businesses.

Mr. Anderson indicated that Mr. Sisco would review the decision units included in BA 4198.

Scott Sisco, Administrative Services Officer, NDF, DCNR, stated he would review the Enhancement (E) decision units depicted on page 24 of the exhibit:

- E606 would eliminate three vacant crew supervisor positions within NDF's Conservation Camp program, one from the Wells Conservation Camp, one from the Ely Conservation Camp, and one from the Three Lakes Valley Conservation Camp.
- E690 addressed the closure of the Wells Conservation Camp in conjunction with the Department of Corrections (DOC). Seven filled positions would be eliminated, including one area supervisor, one camp supervisor, and five crew supervisors, which would result from transfers, retirements, or layoffs.
- E695 would eliminate the remote area differential pay of \$7.50 per day for new hires assigned to the remotely located Jean and Three Lakes Valley Conservation Camps.

Mr. Sisco said a budget amendment had been submitted by the Budget Division that stipulated that the elimination of remote area differential pay in decision unit E695 pertained only to new hires.

Mr. Sisco referred to page 25 of [Exhibit C](#), which depicted decision unit Maintenance (M) 425, which would fund deferred maintenance issues for replacement of flooring at the Ely Conservation Camp and replacement of broken windows at the Tonopah Conservation Camp. Decision unit Enhancement (E) 710 addressed the computer replacement schedule as authorized by the Department of Information Technology (DoIT).

Also included in BA 4198, said Mr. Sisco, was a one-shot funding request for repair and restoration of up to 25 existing NDF inmate crew carriers. The NDF had an aging fleet of 74 crew carriers and 34 vans. While NDF desperately needed new crew carriers, it realized that would not be possible because of the current economic situation. Therefore, said Mr. Sisco, the one-shot request for \$278,050 would be used to renovate 25 crew carriers and keep them on the road for an additional three to four years.

Chair Hogan asked whether there were further questions regarding budget account (BA) 4198, and there being none, the hearing was closed. The Chair opened the hearing regarding BA 4227.

INFRASTRUCTURE

CONSERVATION AND NATURAL RESOURCES

DCNR—FORESTRY INTER-GOVERNMENTAL AGREEMENTS (101-4227)

BUDGET PAGE DCNR-41

Pete Anderson, State Forester Firewarden, Division of Forestry (NDF), State Department of Conservation and Natural Resources (DCNR), stated that budget account (BA) 4227 addressed the “all-risk,” *Nevada Revised Statutes* (NRS) Chapter 473 Fire Districts. There had been some significant achievements by the three remaining NRS Chapter 473 Fire Districts in providing mutual aid and working with NDF’s county partners. Mr. Anderson indicated that conservation camp crews and incident management personnel had responded to the recent flooding events in Lincoln and Clark Counties. Almost simultaneously NDF responded to a snow and avalanche incident on Mt. Charleston over the 2010 holiday season. Mr. Anderson said NDF staff had done a great job and he was very proud of them.

Scott Sisco, Administrative Services Officer, NDF, DCNR, stated he would review the Enhancement (E) decision units depicted on page 27 of the exhibit as follows:

- E674 would reduce holiday premium pay paid to employees scheduled to work on official state holidays from time-and-a-half to straight time.
- E690 would return responsibility for “all-risk” emergency response services back to Elko County as of July 1, 2012.
- E691 would return responsibility for “all-risk” emergency response services back to Eureka County as of July 1, 2012.
- E692 would return responsibility for “all-risk” emergency response services back to Clark County (Mt. Charleston) as of July 1, 2012.
- E710 addressed the computer replacement schedule as authorized by the Department of Information Technology.

Chair Hogan asked whether there were further questions regarding budget account (BA) 4227.

In summary, Pete Anderson, State Forester Firewarden, Division of Forestry (NDF), State Department of Conservation and Natural Resources (DCNR), said that The Executive Budget recommended:

- Closure of the Wells Conservation Camp.
- Withdrawal of NDF's participation in the Sierra Front Interagency Dispatch Center in Minden.
- Transfer of responsibility for "all-risk" services back to Elko and Eureka Counties and the Mt. Charleston area of Clark County.
- Elimination of one deputy state forester position.
- Elimination of one southern regional forester position.
- Elimination of one payroll administrative assistant 2 position.
- Elimination of three administrative assistant 2 positions.
- Elimination of three vacant crew supervisor positions.
- Elimination of remote area differential pay for new hires assigned to the Jean and Three Lakes Valley Conservation Camps.
- Development of a new method for counting "active" volunteers to reduce worker's compensation insurance costs.

Mr. Anderson thanked legislators for their continued support. The NDF was committed to working through the current budget challenges to the best of its ability and would maintain the best use of its resources in the most efficient way possible.

Leo Drozdoff, P.E., Director, DCNR, said he appreciated working with legislators and staff, and he would be happy to answer any questions pertaining to the budget accounts within NDF. He noted that two other DCNR division budgets were scheduled for review today, and if there were no further questions regarding NDF, he would ask his staff to address those budgets.

Chair Hogan explained that there was a great deal of public concern about some proposals within NDF's budget accounts, and he would open public comment in Carson City and Las Vegas to address those concerns prior to reviewing the remaining DCNR budgets that were scheduled for a hearing today.

Chair Hogan opened public testimony pertaining to the transition of "all-risk" emergency services to Elko and Eureka Counties and the Mt. Charleston area of Clark County and any other issues of concern to the public.

Michael Brown, Fire Chief, North Lake Tahoe (NLT) Fire Protection District introduced himself to the Subcommittee. Mr. Brown stated that he had worked with the Division of Forestry (NDF) for many years as a battalion chief and now worked at an NRS Chapter 474 Fire District. Mr. Brown said the NLT Fire Protection District had received the "all-risk" responsibilities from NDF in 1959, and over the years the District had grown and continued to work very closely

with NDF in the fuels-management and fuels-reduction arena. The District realized early on that it had to begin managing fuels in the Tahoe Basin, and that management had been accomplished through coordination and cooperation with NDF.

Mr. Brown said he would like to address the issue of NDF withdrawal from participation in the Sierra Front Interagency Dispatch Center. He noted that the catastrophic Angora Fire had occurred in the Tahoe Basin in June 2007, and in July 2007 the California-Nevada Tahoe Basin Fire Commission was formed. Mr. Brown stated that he, Pete Anderson, and Leo Drozdoff had sat as members of that Commission, and communications had been identified as one area of concern. As previously noted by Mr. Anderson, if a fire took place within the Tahoe Basin, the NLT Fire Protection District would work through the Camino Interagency Dispatch Center.

Mr. Brown explained that the District would work with the Camino Interagency Dispatch Center to order resources for the Nevada side of Lake Tahoe through the Sierra Front Interagency Dispatch Center's computer-aided dispatch (CAD) system. There were automatic aid agreements that allowed the District to use its closest affordable resources. As Fire Chief, Mr. Brown believed that issues would arise if the NDF component was removed from the Sierra Front Interagency Dispatch Center, because the District worked closely with the U.S. Forest Service (USFS) and BLM. He emphasized that for many years the Sierra Front Interagency Dispatch Center had managed the resources and requests from the NLT Fire Protection District during major wildland fire incidents.

Mr. Brown realized that the technology to dispatch from the Elko Interagency Dispatch Center was available, and perhaps eventually Sierra front fires could be dispatched from that location, but the Sierra Front Interagency Dispatch Center had served that role for the Tahoe Basin for many years.

According to Mr. Brown, the size of NDF had been reduced over the years to the point where it provided crew support, air support, seasonal support, and wildland fire suppression support; however, for structural protection and amassing large strike teams, the state relied on local jurisdictions. Mr. Brown pointed out that northern Nevada experienced more significant wildfire activity than southern Nevada, but every agency participated in the Nevada Master Mutual Aid Agreement, which allowed local jurisdictions to provide support to neighbors throughout the state. Mr. Brown noted that NDF had been very supportive of that program, and the program operated through use of

NDF dispatch resources to move equipment and personnel throughout the state in response to incidents.

When major fires erupted throughout the state, Mr. Brown said resources were requested through the Nevada Master Mutual Aid Agreement for structural protection, and the focal point for that request was the Sierra Front Interagency Dispatch Center. Mr. Brown believed that the Elko Interagency Dispatch Center could eventually assume those duties, but for several years the entities in the Tahoe Basin had relied on the Sierra Front Interagency Dispatch Center.

Mr. Brown stated that NDF was also the mediator with the state's federal partners, and that role had also been fulfilled for many years through the Sierra Front Interagency Dispatch Center. If dispatch responsibilities were moved to Elko, Mr. Brown believed there would be more catastrophic fires in the Tahoe Basin; he opined that dispatch played a primary role in quickly amassing resources and personnel to respond to wildland incidents, which helped contain the fires. Mr. Brown opined that local dispatch resources were necessary to gather the personnel and equipment needed for rapid suppression of fires to keep costs down.

Regarding NRS Chapter 474 Fire Districts and their ability to pay for catastrophic incidents, such as earthquakes, fires, or floods, Mr. Brown could only speak for the NLT Fire Protection District, which was a district by election that did not answer to the county. Mr. Brown stated that as Fire Chief he answered to a five-member board, and emergency funds were derived from the District's overall funding. He explained that it would be difficult to manage the funding if the District had to respond to several major incidents.

Mr. Brown reiterated that the NLT Fire Protection District hoped to keep incidents small and manageable because it did not have the ability to ask for funding from the state. He noted that the District could seek assistance through federal fire management grant activity, and NDF had been very helpful in securing grant funding for the District.

Mr. Brown thanked the Subcommittee for allowing him to testify and he asked that NDF maintain dispatch services through the Sierra Front Interagency Dispatch Center if at all possible.

Assemblyman Bobzien thanked Mr. Brown for his explanation of the coordination of resources outside the Tahoe Basin. He asked Mr. Brown to explain the immediate dispatch responsibilities and the area covered by the Sierra Front Interagency Dispatch Center.

Mr. Brown said the main focus of the Sierra Front Interagency Dispatch Center was the western region of the state, from the California/Nevada border in Douglas County to the boundaries of the Truckee Meadows Fire Protection District in Washoe County, and it included surrounding communities in Storey County and Carson City.

Mr. Brown explained that the Sierra Front Interagency Dispatch Center was the focal point for the NLT Fire Protection District to order resources and equipment to respond to incidents. If the District was required to dispatch from the Camino Interagency Dispatch Center's CAD system for the closest resources, those resources would come from California rather than Nevada. Mr. Brown further explained that the District did not have agreements with many of the California agencies; therefore, if those agencies responded with resources and equipment to an incident in the Tahoe Basin, the District would suffer some significant costs.

Mr. Brown reiterated that the Sierra Front Interagency Dispatch Center's CAD system had been the focal point for dispatching resources for the Tahoe Basin, and perhaps the U.S. Forest Service (USFS) and BLM could assist with dispatch in the future.

Assemblyman Bobzien asked about NDF resources on Peavine Mountain in Washoe County. Mr. Brown explained that the NLT Fire Protection District used several NDF radio frequencies, USFS frequencies, and a few local jurisdiction frequencies to manage large fires. There were NDF mountaintop repeaters on Peavine Mountain and McClellan Peak, and those resources were used by the NLT Fire Protection District on a regular basis. Mr. Brown emphasized that the use of common communications in the suppression of wildfires was very important, and NDF radio frequencies had been available for use by all local entities to manage incidents for many years.

Assemblyman Bobzien said the federal entities were reviewing ways to dispatch throughout the state, and he asked whether those reviews were in synch with NDF planning throughout the state.

Mr. Brown hoped that all entities were in synch because everyone was trying to “get on the same page” regarding dispatch. The NDF was looking at regionalization and coordination of dispatch facilities. Mr. Brown pointed out that there were seven local dispatch centers within the Tahoe Basin, and there were also three public service answering points in Washoe County. He explained that there had been ongoing discussion about combining those three answering points under one roof. Mr. Brown said there had been several discussions between federal and state entities to provide a common dispatch facility that would enable every entity to operate through that one facility. Mr. Brown said he was a member of a committee for a common dispatch facility in Washoe County, and it had been very interesting to actually begin working together in an attempt to attain the goal of all entities operating through one dispatch facility.

Chair Hogan said the discussion helped Subcommittee members realize the extreme importance of coordination and communication in fire suppression, and he thanked Mr. Brown for his testimony.

Testifying next before the Subcommittee was Ronna Hubbard, retired cooperator’s coordinator, Sierra Front Interagency Dispatch Center. Ms. Hubbard stated that she had worked for ten years with federal, state, and local agencies to coordinate fire suppression activities. One of the most important issues during a major incident was communications, and her concern was the withdrawal of NDF from participation in the Sierra Front Interagency Dispatch Center. That action would reduce staff at the Sierra Front Interagency Dispatch Center by one-third, which would make a significant difference in the number of hours that could be covered during major fires.

Ms. Hubbard stated that the Sierra Front Interagency Dispatch Center had been lucky over the past few years because there had not been a major fire season in the Tahoe Basin. However, 27 aircraft were used to fight the Waterfall Fire in Carson City in 2004, and the Sierra Front Interagency Dispatch Center had handled the dispatch for those aircraft.

Ms. Hubbard noted that communications for the Angora Fire had been discussed earlier by Mr. Brown. The Camino Interagency Dispatch Center coordinated with the Sierra Front Interagency Dispatch Center for resources and personnel in the Tahoe Basin and using the Elko Interagency Dispatch Center would create another “loop” in that communication system. Ms. Hubbard pointed out that there had been massive fires in the past in the Elko County area and dispatchers

in that area were very experienced, but those fires were somewhat different than fires in the Tahoe Basin.

Ms. Hubbard said the Elko area experienced huge wildland fires that burned for many days, while Sierra-front fires seemed to grow fast, grow big, and threatened many homes in the wildland/urban situation in the Tahoe Basin. While a number of local agencies would respond to Sierra-front incidents, Ms. Hubbard explained that very seldom would a fire belong to one agency because those fires often crossed boundaries of multiple local jurisdictions, multiple federal jurisdictions, and state jurisdictions. Agencies responding to those fires could include California and Nevada entities, the BLM, the U.S. Forest Service, and two or three separate local entities. Ms. Hubbard said the proposal to dispatch from the Elko Interagency Dispatch Center would add a dispatch center that was not familiar with that scenario. She pointed out that the Sierra Front Interagency Dispatch Center usually "took over" the fires and became the single point for ordering resources once a fire had gone beyond the initial-attack phase.

Ms. Hubbard believed that it would be very difficult for the Elko Interagency Dispatch Center to take over and manage fires in the Tahoe Basin. Elko had its own agreements with vendors such as contractors for heavy equipment and water tenders, and Ms. Hubbard believed dispatching fires on the western side of the state from the Elko location would be problematic.

Ms. Hubbard said reviews of fatalities and injuries that occurred during major fires also included a review of communications. She opined that changing the duties of the Elko Interagency Dispatch Center on July 1 in the middle of wildland fire season would be "asking for trouble." Ms. Hubbard believed that if NDF was going to withdraw from the Sierra Front Interagency Dispatch Center, the process should be tested during off-season so NDF would be sure it could dispatch and communicate with the aircraft from Elko, and that procedures had been outlined prior to the wildland fire season.

Ms. Hubbard voiced major concerns about NDF withdrawing from the Sierra Front Dispatch Center. She stated that during the 1980's the late State Senator Lawrence E. Jacobsen had been very involved and very supportive of the creation of an interagency dispatch center in Minden because of fatalities and injuries that had occurred during fires because of a lack of communication.

Ms. Hubbard indicated that NDF conservation camp crews provided valuable assistance with the field work during fires and were an awesome resource throughout the state. Those crews did a significant amount of work in areas where NDF radio frequencies did not work and cell phone coverage was spotty at best. The NDF crews usually used local federal agency frequencies to maintain contact with the Sierra Front Interagency Dispatch Center. She was not sure how that contact would be maintained through the Elko Interagency Dispatch Center.

Testifying next before the Subcommittee was Robert Stokes, County Manager, Elko County. Mr. Stokes indicated that Elko County had maintained a relationship with NDF since the 1950's for wildfire services. The NDF, Elko County, and a number of volunteer fire departments had provided fire protection services in the Elko County area over the years and it had worked relatively well. Mr. Stokes commented that "nothing was perfect," but because all entities worked together and worked with federal agencies, there had been a very good response to wildfire incidents for many decades in Elko County.

Mr. Stokes said there were concerns about the transfer of "all-risk" emergency services back to Elko County. The County appreciated that under the current proposal there was a period of time allotted for the transition to take place, but the County was concerned that the time frame might be too short. Mr. Stokes indicated that a number of issues would have to be addressed by the County to accommodate the transition. Those issues included equipment and facilities, and how the County would coordinate its efforts to manage and provide the "all-risk" services.

According to Mr. Stokes, Elko County was still working on the management aspect of those services. He noted that the County only became aware of the proposed transition in January 2011 when The Executive Budget was presented, and the County was waiting to see whether the proposal was approved before it took major steps towards transition. Mr. Stokes said he appreciated Pete Anderson, State Forester Firewarden, offering to discuss the issue through a joint subcommittee to review the transition.

Mr. Stokes indicated that Elko County was the fourth largest county geographically in the continental United States, and it included millions of acres of wildlands. The population of Elko County was approximately 50,000 and it took a significant amount of time to reach isolated areas within the county. Mr. Stokes pointed out that management and response time to wildfire incidents was very critical.

Mr. Stokes also voiced concerns about the closure of the Wells Conservation Camp. Because of the long distances that responders had to travel within Elko County, the resources offered by the Wells Conservation Camp helped to protect the eastern side of Elko County. Although those services would continue from the Carlin Conservation Camp, Mr. Stokes explained that responding from Carlin would add an additional one to two hours in response time. He believed that the longer it took for responders to reach a fire, the larger and more difficult the incident would become.

Mr. Stokes said Elko County also felt that the conservation camp program was one way to rehabilitate inmates from the Department of Corrections in a more economical manner. Also, the inmates were taught how to get up and go to work in the morning as they prepared to transition back into their communities. Mr. Stokes noted that surrounding communities also benefitted through the services provided by the conservation camp programs. He said that both the City of Wells and the City of West Wendover utilized the services of the Wells Conservation Camp.

Senator Rhoads asked whether Elko County had the funds available to take over the Elko Interagency Dispatch Center. Mr. Stokes said he was not aware of the costs to manage the Dispatch Center. The county had experienced reductions in revenue and was considering cutting costs in various departments. Mr. Stokes noted that Elko County was certainly concerned about the transfer of various services from the state to the counties and whether or not there would be sufficient funds to provide those services. The transition of "all-risk" services from NDF to Elko County would simply add to that burden.

Senator Rhoads asked about the cost of transitioning the "all-risk" services. Mr. Stokes replied that he had no idea about those costs. Senator Rhoads stated that NDF estimated a \$400,000 savings by transitioning the "all-risk" services to the county. He asked Mr. Stokes to provide the Subcommittee with an estimate of the cost to the county to provide those services. Mr. Stokes stated he would provide that information.

The next person to testify before the Subcommittee was Rusty McAllister, representing the Professional Firefighters of Nevada. Mr. McAllister said when the NDF proposal to transition "all-risk" services to Clark County for the Mt. Charleston area was brought forward, the Professional Firefighters of Nevada were concerned with measures included in the proposal. The first issue was the disposition of the employees of the Mt. Charleston Fire District. Mr. McAllister pointed out that with the significant unemployment rate in

Nevada, the Professional Firefighters of Nevada were concerned about firefighters it represented who resided in the Spring Creek region and the Mt. Charleston area and who provided fire service in those areas.

Mr. McAllister noted that Pete Anderson's testimony was that the transition of "all-risk" services to the counties would be seamless, and that "NDF firefighters would go to sleep one night as state employees and wake up the next morning as county employees." Mr. McAllister said that was not the information that had been received by the firefighters in Clark County, and it appeared that the issue was still under consideration.

Another issue, said Mr. McAllister, was training. The firefighters assigned to Mt. Charleston would not necessarily remain at that location. He explained that if the firefighters were hired by Clark County, they could be moved to other locations throughout the county and might eventually be stationed in Las Vegas fighting high-rise building fires. Mr. McAllister opined that very few firefighters within the Clark County Fire Department were trained to fight wildland fires and were not wildland-certified firefighters. There would certainly be a cost involved to Clark County to train 650 to 700 firefighters to fight wildland fires.

Mr. McAllister did not know whether those costs had been computed or whether NDF would provide the funding for training the firefighters who would become responsible for the Mr. Charleston area.

Testifying next before the Subcommittee was Edward Finger, Assistant County Manager, Clark County. Mr. Finger explained that the county understood the economic situation facing the state and was very appreciative of the open and collaborative approach by Pete Anderson, Leo Drozdoff, and Scott Sisco of the Department of Conservation and Natural Resources about the proposed transition. The county also understood why the transition had been proposed. However, said Mr. Finger, Clark County preferred that the proposed transition of "all-risk" services from NDF to Clark County not go forward at the present time.

Mr. Finger said the state had provided cost-efficient and cost-effective services in the Mt. Charleston area for decades. The county believed that it was not simply an issue of transitioning the cost from the state to the county, but instead was an issue of increasing the total costs to the residents of Clark County.

Mr. Finger agreed with Mr. Drozdoff's prior statement that Clark County had not explicitly offered to pick up the \$150,000 in extra costs incurred by the state for the Mt. Charleston Fire Station. However, Clark County had informed Mr. Drozdoff that it believed the cost to the county would be significantly higher, so at least by implication, the county suggested that there was an alternative to the proposed transition.

Mr. Finger said the county's calculations showed that the operational cost could increase by more than \$1.2 million per year, and that did not take into consideration the cost of capital, including facilities and equipment. The NDF also had not considered the cost increase because of the different service provision aspects of wildland firefighting, as previously pointed out by Mr. McAllister. Mr. Finger noted that Clark County had a different landscape from other parts of the state because much of Clark County was urban area.

Mr. Finger stated that Clark County Commissioner Larry Brown, who represented the Mt. Charleston area, had not been able to attend the meeting today, but his concerns were the same as those voiced by Mr. Finger.

Testifying next before the Subcommittee was Becky Grismanauskas, who stated that she was a resident of Mt. Charleston. Ms. Grismanauskas told the Subcommittee how she and her husband had lost their home on Mt. Charleston to a fire in 2007. She said NDF was conducting a training exercise close to her house and responded quickly to the fire, preventing a major forest fire. The initial attack and immediate response to fires was critical, and the only way that could occur in mountain communities and rural areas was that fire stations were close. Ms. Grismanauskas said prior to purchasing the land for their home, she and her husband first located the fire station, which was one mile from the lot. The location of the fire station was one of the reasons they ultimately purchased the lot and built their home.

Regarding the transfer of "all-risk" emergency services to the county, Ms. Grismanauskas said that most residents of Mt. Charleston were frightened by the proposal and were unable to sell their homes. Contrary to popular belief, all the residents living on Mt. Charleston were not wealthy, and many did not have the ability to move to another location. The bottom line, said Ms. Grismanauskas, was that residents did not understand why NDF wanted to pull its services from Mt. Charleston. Residents were aware that the proposal was because of budget reductions, but it was hard to understand how NDF could turn its back on the responsibility that had been entrusted to it for many years.

Ms. Grismanauskas noted that the budget for Clark County was already in place, and she wondered how the county could amend its budget to include the cost for providing "all-risk" emergency services in such a short time. She also noted that the fire station was not in good repair.

Ms. Grismanauskas explained the relationship between the firefighters and residents on Mt. Charleston. She felt that the county should have been given more time to address the issue before the budget was approved. The residential area, the forest, and the adjoining wildland would all be gone forever if there was a major fire incident. Ms. Grismanauskas said that a fire in one area would affect all areas of Mt. Charleston. The residents of Mt. Charleston wanted to keep the 24/7 "all-risk" protection that was provided by NDF.

Ms. Grismanauskas stated that NDF claimed there were inequities because it continued to provide "all-risk" services to Elko and Eureka Counties and the Mt. Charleston area of Clark County. However, she believed that was ridiculous because the counties within the state were not the same, and all counties worked together in the protection of Nevada. The watershed areas of the state needed continued protection. Ms. Grismanauskas pointed out that Mt. Charleston hosted approximately 2.5 million visitors each year because it was the only alpine recreation area in southern Nevada.

Testifying next before the Subcommittee was Sharon Brown, who stated that she was a 30-year resident of Mt. Charleston, and there had been over 16 house fires in her subdivision alone. Two of those fires backed up to her property and Ms. Brown said if it had not been for the quick response of firefighters, those fires would have reached the tree canopy. She and her husband knew first hand how much NDF cared about the community, and while volunteers were helpful, their participation was based on availability.

Ms. Brown discussed several fire incidents that had occurred on Mt. Charleston and the quick response of NDF to those incidents. Ms. Brown asked what would occur with fire insurance for residents if NDF no longer participated in the Mt. Charleston Fire Station. She opined that residents of Mt. Charleston currently paid the highest property taxes in the state.

Ms. Brown said Mt. Charleston was a unique area, being the only forested area within 150 miles of Las Vegas. Mt. Charleston had approximately 2.5 million visitors a year with the same two-lane state highway that had been existence for 70 years. There was only one way in and one way out, and the effect of 2.5 million visitors had become a significant challenge.

The next person to testify before the Subcommittee was Tom Padden, who stated he was also a long-term resident of Mt. Charleston. He stated that his father built the fire station on Mt. Charleston and became the first county fireman as well as the first resident NDF firefighter. Mr. Padden said he had seen the visitor volume on Mt. Charleston go from a trickle to a flood, and he had seen the evolution of the role of NDF on Mt. Charleston, which had evolved over decades through many phases.

Mr. Padden stated that residents did not have sufficient information to be confident that the transition would be done in a way that would maintain the current level of operation of the fire station. The county liaison had provided copies of the presentation from the meeting between Clark County and NDF regarding the transition, but there were still many questions about how the transition would occur. Mr. Padden said the concern was that the changes would be approved prior to discussion of the details. He could not understand why NDF was confident that the transition could take place when those in the community had not had an opportunity to view the details.

Mr. Padden said he had been in contact with Nevada Fire Safe Council members in Elko and Eureka Counties and those persons had heard about the proposed transition of "all-risk" emergency services, but were not aware of the details of the proposal.

Mr. Padden said he was also concerned about the 18-month time frame, and he was happy to hear that NDF was willing to be flexible because that time frame would have to be extended considerably to address the questions and concerns of the residents. The level of response capability, which was quite adequate in the recent past had become absolutely minimal, and Mr. Padden said the main concern was that there would not be an interruption in response capability. Mr. Padden urged the Legislature to not approve the proposal until the details had been addressed.

The next person to testify before the Subcommittee was Charles Kajkowski, who stated he was a 20-year resident of Mt. Charleston. Mr. Kajkowski said Pete Anderson's testimony was that NDF had been successful in transitioning "all-risk" services back to other counties, but those efforts had been accomplished when economic times were much better than they were today. Clark County, like the state, was also experiencing budget woes because of reduced property taxes and reduced sales taxes.

According to Mr. Kajkowski, the current operation on Mt. Charleston included an NDF presence in the area 24/7, 365 days a year, and that was the reason NDF responded so quickly to fires. The total cost of that operation was approximately \$1.2 million, which included about \$880,000 from local property taxes and contributions from the county and \$140,000 from NDF for operational costs. The NDF also had other costs, such as payroll, of an additional \$140,000.

Mr. Kajkowski believed that the current operational costs for the Mt. Charleston Fire Station were approximately \$1.2 million, and the cost for the proposed plan would be approximately \$2.6 million. The proposed plan meant that NDF would no longer have 24/7 presence at the Mt. Charleston Fire Station, nor would the area have the same wildland firefighting capabilities.

Mr. Kajkowski said it might be a cost-effective transition for NDF, but as a taxpayer it would double his cost. He asked that the Legislature consider postponing the transition plan for two years and revisit the plan during the 2013 Legislature.

Mr. Kajkowski said his property tax to support the fire district was approximately \$230 per year, and he would willingly pay additional taxes to maintain the current level of fire service. There might be some merit to NDF's proposal, but because of current economic woes, NDF, Clark County, and the residents of Mt. Charleston should work together to construct a funding plan before making the transition.

Assemblywoman Carlton asked about homeowner's fire insurance for residents of Mt. Charleston, and she wondered whether the proposed change would affect the costs for fire insurance.

Mr. Kajkowski said he had not yet inquired about a possible increase in fire insurance costs. He thought that perhaps the costs would increase and some insurance carriers might no longer carry fire insurance for the residents of the Mt. Charleston area. Assemblywoman Carlton advised Mr. Kajkowski that she would research the issue.

Chair Hogan closed public comment regarding the issues within the budget for the Division of Forestry and indicated that the Subcommittee would hear the budget presentation for the Division of State Parks.

Leo Drozdoff, P.E., Director, State Department of Conservation and Natural Resources (DCNR), stated that the remaining two budget accounts for review by the Subcommittee were the Division of State Parks and the Nevada Natural Heritage Program. He stated that Mr. Morrow and Mr. Weaver would present the budget for the Division of State Parks.

INFRASTRUCTURE
CONSERVATION AND NATURAL RESOURCES
DCNR—STATE PARKS (101-4162)
BUDGET PAGE DCNR-54

David Morrow, Administrator, Division of State Parks, State Department of Conservation and Natural Resources (DCNR), introduced Steve Weaver, Deputy Administrator, and Kirsten Hettrick, Administrative Services Officer (ASO), to the Subcommittee. Mr. Morrow also introduced Kenneth Parr, Area Manager, Lahontan Basin Area Office, U.S. Bureau of Reclamation (BOR), U.S. Department of the Interior, and stated that BOR had played a very positive role in the development of the Division's budget.

Mr. Morrow referred to [Exhibit E](#), "Department of Conservation and Natural Resources, Division of State Parks, Budget Presentation, Fiscal Years 2012 & 2013." He stated that the Division of State Parks had been in existence for 75 years, and there were approximately 25 parks throughout the state. The mission of the Division was depicted on page 2 of the exhibit, but Mr. Morrow said since 1982 the mission had been to do whatever it took to keep state parks open and operational. That had been a very challenging mission, one that required reorganization, a reduction in the number of regions, a cutback of staff, and development of new funding sources, which had played a critical role in the Division's ability to keep parks open.

Mr. Morrow indicated that the picture on page 3 of the exhibit depicted Sand Harbor at the Lake Tahoe-Nevada State Park, which was one of Nevada's most well-known and visited parks. He stated that the Division operated 25 parks and provided oversight to two federal programs, the Recreational Trails Program and the Land and Water Conservation Fund (LWCF). The Division's headquarters were located in Carson City, with regional offices located in Fallon and Las Vegas.

Mr. Morrow said the Division's budget preparation for the 2011-2013 biennium had been much different than it had been in the past, because the Division had to determine how it would survive in the future knowing that the future was

uncertain. During the budget process, the Division's efforts focused on identifying the priority activities in state parks and then ranking those activities to establish the reasoning behind the budget recommendations currently under review by the Legislature.

Mr. Morrow pointed out that the Division had undergone several General Fund reductions. With approval of the 2011-2013 budget, the General Fund revenue for the Division would be reduced from a high of 55 percent to the 29 percent included in the current budget for the Division. There had also been a decrease in the number of full-time equivalent (FTE) positions from 111 to 92. Mr. Morrow noted that the Division was a relatively small agency spread throughout the state, and the elimination of 19 positions was significant. The Division had also suffered the loss of 62 months of seasonal time, and to address budget cuts, the Division had delayed filling a number of vacant positions throughout the past several years.

According to Mr. Morrow, the Division's budget included no new programs or positions and included the elimination of five additional positions. Of those five positions, three would be layoffs and two were vacant positions. The Division's budget included issues relative to maintenance and capital improvement projects (CIPs). Mr. Morrow said the Division had submitted a request for a CIP grant to repair the roof at the visitor's center in the Valley of Fire State Park, which leaked in several places, and to repair the heating, ventilation, and air conditioning units at the center. Mr. Morrow emphasized that the CIP request was critical because the Valley of Fire State Park was one of the premiere parks in the state and the visitor's center was key to the park. Also included in the Division's budget, said Mr. Morrow, were requests for replacement of one forklift and the purchase of one new backhoe loader.

Mr. Morrow said since fiscal year (FY) 2008, the General Fund appropriation for the Division's budget had been reduced by approximately 60 percent. Deferred maintenance funds of approximately \$2 million had been eliminated from the Division's budget, which limited the Division's ability to provide upkeep of the facilities.

According to Mr. Morrow, there had been recent discussions about which critical maintenance projects the Division should prioritize and address:

- The severe erosion of the banks at Big Bend of the Colorado State Recreation Area.
- The deterioration of the forested area and building at Spring Mountain Ranch State Park.
- The rehabilitation of the restrooms at Cave Lake State Park.

Mr. Morrow explained that the Division could not address all three projects and had to select one or possibly two. The loss of maintenance funding had become an enormous problem for the Division.

Mr. Morrow stated that [Exhibit E](#) indicated that 20 months of seasonal time would be eliminated, but that should be corrected to reflect the elimination of 62 months of seasonal time. The Division had also cut 30 percent of its training funds and 70 percent of its out-of-state travel and of greater concern was the cut of 14 percent in in-state travel. That budget cut severely reduced the Division's ability to supervise, train, and actually maintain the state parks throughout the state.

The proposed budget for the Division included several recommended changes in funding sources, said Mr. Morrow, which was a critical issue. He explained that the Division was aware that it had to locate alternative funding sources to replace the General Fund revenue. Included in the budget was financial participation from partners such as the Bureau of Reclamation (BOR). The BOR had agreed to provide \$250,000 each fiscal year of the 2011-2013 biennium to help offset operating costs at Lahontan and Rye Patch State Recreation Areas. Mr. Morrow said the Division greatly appreciated that support because without it there would have been additional cuts or proposed closures of state parks included in the budget.

Mr. Morrow said the Division also proposed opening five gift shops, establishing vending machines, and continuing the fee increases that were approved during the 26th Special Session (2010). The budget reductions and the alternative funding sources would allow the Division to continue to operate, albeit under very tight budget constraints.

Mr. Morrow stated that he would address the Enhancement (E) units within the Division's Budget:

- E680, replacement of General Fund revenue with \$250,000 in BOR funds in both years of the biennium.
- E682, replacement of General Fund with revenue derived from taking over operations of park sales outlets formerly operated by a nonprofit group, which would be addressed via bill draft request (BDR) 1210.
- E683, replacement of General Fund with vending machine revenue of \$17,150 each year, either through a contract or using Division staff to provide vending machines at specific park areas and specific sites.
- E606, elimination of the administrative assistant position at Lahontan State Recreation Area, which was a fee-generated position that had never been filled.
- E690, termination of the lease agreement with Douglas County regarding the Dangberg Home Ranch Historic Park in Minden, Nevada, and elimination of the park interpreter position.
- E691, elimination of the maintenance repair specialist position at Spring Mountain Ranch State Park.
- E692, elimination of the maintenance repair specialist at Big Bend of the Colorado State Recreation Area.

The Division believed it could cover the loss of the aforementioned two positions from the regional office in Las Vegas.

- E693, elimination of a vacant professional engineer position in the Carson City office.
- E694, reduction of funding for seasonal positions dedicated to weed abatement. The elimination would occur in the second year of the biennium for a savings of approximately \$15,000.
- E710, computer replacement for Question 1 bond-funded employee.
- E712, replacement of a forklift at the Northern Region shop at Lahontan State Recreation Area.
- E720, replacement of backhoe to address park maintenance issues in the southern region.

According to Mr. Morrow, there were two critical issues that had to be considered in discussing closures of state parks. The first issue was the federal Land and Water Conservation Fund (LWCF), which had been used to fund outdoor recreation since the early 1960s. Approximately \$39 million in LWCF monies had been used by Nevada for its state park system and for local parks since its inception. Mr. Morrow said the program not only included the funding, it also included encumbrances and closure penalties. When the state used LWCF funds to improve or develop parks, those parks had to remain in use for

outdoor purposes in perpetuity. If the state failed to maintain those parks, significant penalties would be imposed, and the federal government could ask the state to replace the park with like value.

According to Mr. Morrow, the 25 state parks throughout the state encompassed approximately 145,000 acres and included \$140 million in infrastructure. The Division could not simply walk away from a park. He stated it would take a significant effort on the part of the Division to actually close down a park without suffering a loss of its initial investment in each park. The Division had analyzed the cost of "mothballing" parks and protecting the facilities on a limited basis.

Mr. Morrow advised that state parks provided a significant economic benefit for the state. Several studies had been completed regarding state parks, and those studies indicated that state parks generated approximately \$62 million to the state and local communities. That was 20 times more value economically than the \$3.2 million proposed for the Division's budget. Mr. Morrow believed that was a significant factor that should be considered by the Legislature.

According to Mr. Morrow, every park in the system, with the exception of four, was encumbered by the mandates of LWCF, and that fact was considered in the Division's budget decision-making. The four parks not covered by LWCF were: (1) Belmont Courthouse State Historic Site; (2) Dangberg Home Ranch Historic Park; (3) Elgin School House; and (4) Rye Patch State Recreation Area. Mr. Morrow said two of those areas had no current operating budget, and with help from the Bureau of Reclamation (BOR), the Division would carry on at Rye Patch State Recreation Area.

Mr. Morrow referred to [Exhibit F](#), a letter from the U.S. Department of the Interior, National Park Service, to Leo Drozdoff, Acting Director, Nevada Department of Conservation and Natural Resources, which indicated the position of the National Park Service regarding LWCF and the penalties that would be assessed to the state for failure to maintain the agreement.

Mr. Morrow indicated that Mr. Weaver would address the analysis used by the Division in determining the actual cost to close state parks, both on a one-time basis and an ongoing basis.

Steve Weaver, Deputy Administrator, Division of State Parks, State Department of Conservation and Natural Resources (DCNR), stated that most state parks included significant infrastructure, much like a small town. Mr. Weaver said

that parks were typically not attached to a community water system and each park included an independent water and sewer system. Each park contained equipment that had to be maintained on a routine basis, and that was one of the significant costs in mothballing a park. Mr. Weaver indicated that was also the reason the Division had to maintain at least a skeleton crew to run and maintain the equipment and maintain the buildings at a closed state park.

Mr. Weaver said the major factors considered by the Division in the cost of park closures were:

- Boarding up of buildings to protect against vandalism and wildlife.
- Providing public signage that indicated the park was closed.
- Providing fencing of selected areas because it was impossible to completely enclose the parks.
- Providing high security fencing for expensive items such as vehicles and heavy equipment.

Mr. Weaver informed the Subcommittee that the initial one-time costs to close a state park would be \$615,726, and the ongoing annual cost would be approximately \$1.6 million. The first-year total cost would be \$2,221,131, and the ongoing annual cost would be \$1.6 million.

David Morrow, Administrator, Division of State Parks, DCNR, thanked the Subcommittee for the opportunity to present the Division's budget information and said he would be happy to answer questions.

Chair Hogan asked about the revenue that would be generated annually by the retail outlets and vending machines proposed in bill draft request (BDR) 1210.

Mr. Morrow said the Division had prior experience in retail outlets, and those gift shops were already in existence and would be operated by the Division. He noted that the gift shops were not currently operational. The gift shops would generate approximately \$30,000 annually in replacement of General Fund revenue. The Division believed the revenue would increase over the course of the year based on past experience. Mr. Morrow stated that he would provide detailed information to the Subcommittee about the gift shops.

Assemblywoman Carlton noted that the retail outlets had formerly been operated by a nonprofit group, and she asked why the shops had been closed. Mr. Morrow indicated that the Division had asked the nonprofit to stop

operating the shops because the Division was very interested in using that money as revenue to replace General Fund support.

Assemblywoman Carlton expressed concern and asked whether the Division had researched the revenue previously generated by the shops to arrive at the \$30,000 figure. Mr. Morrow said the Division had reviewed the revenue stream when the shops were operational.

Assemblywoman Carlton asked what would occur if the Division realized additional revenue from the operation of the gift shops. Mr. Morrow said that revenue would be used to fund educational-interpretive programs at the parks, which was how the funding had been used in the past. Almost all special programming within state parks could be funded with excess amounts of revenue generated by the gift shops.

Assemblywoman Carlton asked whether additional staff would be needed to oversee the gift shop business. Mr. Morrow said that the Division would hire one additional staff person. The Division of State Parks was also reviewing the possibility of developing an agreement with the Department of Employment, Training and Rehabilitation (DETR) to use clients in the Department's job programs to offset costs.

Assemblywoman Carlton asked whether the Division would issue a request for proposal (RFP) to select a vendor to operate the gift shops or had the Division already selected a vendor. Mr. Morrow said the proposal was that the Division would operate the gift shops as an enterprise fund.

Assemblywoman Carlton said it appeared that the Division was going into the business of gift shops and vending machines. Mr. Morrow said that was absolutely correct. Assemblywoman Carlton said she just wanted to get that fact on the record.

Assemblywoman Carlton asked that the Division consider solar power when it replaced the roof of the visitor center at the Valley of Fire State Park in Clark County.

Assemblyman Goicoechea referred to the \$250,000 funding agreement with the Bureau of Reclamation (BOR) for the Lahontan and Rye Patch State Recreation Areas, and he asked whether that agreement had been consummated and was in place. Mr. Morrow assured Assemblyman Goicoechea that the funding

agreement was in place, and Mr. Parr would attest to that fact for the Subcommittee.

Assemblywoman Carlton commented that Spring Mountain Ranch State Park was very important to residents of southern Nevada, and she was concerned about deferring the maintenance costs for that park. She asked what deferring maintenance would ultimately cost the state.

Mr. Morrow said park maintenance was a substantial issue, and there was no question that maintenance should occur in the park system. The Division would use the money available for maintenance to focus on the most severe problems within the system. There were some issues at Spring Mountain Ranch State Park that were weighing on the Division, and it would attempt to address those maintenance issues. Mr. Morrow said it was impossible to calculate the effect of deferring maintenance projects, but he believed the costs would be enormous, and deferring maintenance would probably become the most significant consequence of the budget cuts. The Division had many older park facilities and most maintenance was currently being deferred. The current policy of the Division was that if something was broken and critical to public safety, it would be fixed, but if it was not, it would not be fixed.

Assemblywoman Carlton said she was also concerned about liability issues that could arise because of the state's failure to maintain the infrastructure of the state parks.

Chair Hogan opened public comment regarding budget account (BA) 4162, and there being none, the hearing was closed. The chair opened the hearing on BA 4101.

INFRASTRUCTURE
CONSERVATION AND NATURAL RESOURCES
DCNR—NEVADA NATURAL HERITAGE (101-4101)
BUDGET PAGE DCNR-96

Jennifer Newmark, Administrator, Nevada Natural Heritage Program, State Department of Conservation and Natural Resources (DCNR), introduced herself to the Subcommittee.

Ms. Newmark referred to [Exhibit G](#), "Nevada Natural Heritage Program, Budget Account 4101," and explained that the budget was relatively straightforward. The most important point was that the entire General Fund support for the

Nevada Natural Heritage Program (Program) would be replaced with other funding sources through a large federal grant from the Department of Energy (DOE) that had been attained through the efforts of the DCNR's Division of Environmental Protection. Ms. Newmark indicated that the grant would provide approximately \$166,000 over the biennium, and the remaining funds to operate would be realized through an increased fund transfer from the Department of Transportation (NDOT).

Ms. Newmark explained that the Program provided critical species data to NDOT, which allowed it to streamline projects and meet federally mandated environmental review requirements such as those required by the Endangered Species Act of 1973 and the National Environmental Policy Act of 1969. Ms. Newmark said NDOT recognized that the Program provided vital services, and in turn, the Department funded almost 60 percent of the budget for the Program. Between the two aforementioned sources, the Program would completely replace its General Fund support. Ms. Newmark referred to page 5 of [Exhibit G](#), which depicted the revenues that supported the Program.

That concluded her presentation, and Ms. Newmark said she would be happy to answer questions from the Subcommittee.

Assemblyman Bobzien asked whether the Nevada Natural Heritage Program had confirmed the funding with NDOT. Ms. Newmark stated that was correct. Assemblyman Bobzien asked whether General Fund support would be required for the Program in the future. Ms. Newmark replied that the Program believed that grant funding from DOE and the funding from NDOT would be long-term funding sources that would continue in the future and permanently replace General Fund support.

Assemblyman Bobzien asked whether the Program would put other federal funds in jeopardy by removing the General Fund support from its budget. Ms. Newmark explained that the Program was not required to provide state matching funds to obtain federal grant funding.

Chair Hogan asked whether there were further questions regarding budget account 4101, and there being none, the hearing was closed.


Assembly Committee on Ways and Means
Senate Committee on Finance
Joint Subcommittee on Public Safety/Natural Resources/Transportation
March 24, 2011
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With no further public comment or testimony to come before the Subcommittee,
the Chair adjourned the meeting at 10:57 a.m.

RESPECTFULLY SUBMITTED:

Carol Thomsen
Committee Secretary

APPROVED BY:



Assemblyman Joseph M. Hogan, Chair

DATE: _____

Senator Dean A. Rhoads, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on Public Safety/Natural Resources/Transportation

Date: March 24, 2011

Time of Meeting: 8:04 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Pete Anderson, NDF	Budget presentation
	D	Pete Anderson, NDF	"All Risk" explanation
	E	David Morrow, State Parks	Budget presentation
	F	David Morrow, State Parks	Letter from National Park Service.
	G	Jennifer Newmark, Heritage Program	Budget presentation