

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

**AND THE  
SENATE COMMITTEE ON FINANCE  
SUBCOMMITTEE ON PUBLIC SAFETY, MILITARY AND VETERANS' SERVICES  
SUBCOMMITTEE ON NATURAL RESOURCES AND TRANSPORTATION**

**Seventy-Seventh Session  
May 15, 2013**

A joint meeting of the Assembly Committee on Ways and Means' Subcommittee on Public Safety, Natural Resources, and Transportation and the Senate Committee on Finance's Subcommittee on Public Safety, Military and Veterans' Services and Subcommittee on Natural Resources and Transportation was called to order by Chairman David P. Bobzien at 8:20 a.m. on Wednesday, May 15, 2013, 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 [nelis.leg.state.nv.us/77th2013](http://nelis.leg.state.nv.us/77th2013). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**ASSEMBLY COMMITTEE MEMBERS PRESENT:**

Assemblyman David P. Bobzien, Chairman  
Assemblyman Tom Grady  
Assemblyman John Hambrick  
Assemblywoman Marilyn K. Kirkpatrick  
Assemblyman Michael Sprinkle

**SENATE COMMITTEE MEMBERS PRESENT:**

Senator Pete Goicoechea, Chair  
Senator David R. Parks, Chair  
Senator Joyce Woodhouse



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**STAFF MEMBERS PRESENT:**

Cindy Jones, Assembly Fiscal Analyst  
Mark Krmpotic, Senate Fiscal Analyst  
Michael J. Chapman, Principal Deputy Fiscal Analyst  
Sarah Coffman, Senior Program Analyst  
Julie Waller, Senior Program Analyst  
Jennifer Gamroth, Program Analyst  
Kristen Kolbe, Program Analyst  
Wayne Thorley, Program Analyst  
Linda Blevins, Committee Secretary  
Cynthia Wyett, Committee Assistant

Following call of the roll, Chairman Bobzien opened the hearing for Executive Budget closings.

**INFRASTRUCTURE  
CONSERVATION & NATURAL RESOURCES  
TAHOE REGIONAL PLANNING AGENCY (101-4204)  
BUDGET PAGE DCNR-9**

Wayne Thorley, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided a summary of budget account (BA) 4204, the Tahoe Regional Planning Agency (TRPA). He noted there were two major closing items to bring to the Subcommittees' attention.

Mr. Thorley directed attention to page 83 of the closing document attached as [Exhibit C](#), decision unit Enhancement (E) 225. The Governor recommended a modification in the presentation of the TRPA budget in The Executive Budget. The change would shift the presentation to a single line-item type budget presentation.

The Department of Administration requested the introduction of Assembly Bill 480 in conjunction with decision unit E-225. Mr. Thorley explained that A.B. 480 required the TRPA to annually submit a copy of its most recent independent audit report, an annual report accounting for money appropriated from the state, and updated performance measures and benchmarks to the Governor and the Director of the Legislative Counsel Bureau (LCB). Mr. Thorley advised there had been an amendment proposed to

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revise chapter 353 of the *Nevada Revised Statutes* to include TRPA in the list of agencies required to submit a budget to the Budget Division and to the Legislative Counsel Bureau (LCB) on September 1 of even-numbered years. The intent of the amendment was to ensure the agency would submit a detailed budget to the Executive Branch and to the Legislature for analysis.

Mr. Thorley provided two options for the Subcommittees' consideration:

1. Approve the Governor's recommendation to eliminate all authority in the traditional expenditure categories from the TRPA budget and move to a single line-item budget with the addition of annual reporting requirements pursuant to passage of A.B. 480.
2. Do not approve the Governor's recommendation to eliminate all authority in the traditional expenditure categories from the TRPA budget and move to a single line-item budget. Fiscal Analysis Division staff noted that if this option was selected, the additional reporting requirements in A.B. 480 could still be required should the bill be passed.

Chairman Bobzien stated that he had spent considerable time working on this item. The addition of the amendment had eased his concerns, and he suggested that option 1 would be appropriate.

SENATOR GOICOECHEA MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO MOVE TO A SINGLE LINE-ITEM BUDGET FOR THE TAHOE REGIONAL PLANNING AGENCY WITH THE ADDITION OF ANNUAL REPORTING REQUIREMENTS PURSUANT TO ASSEMBLY BILL 480.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

**INFRASTRUCTURE**  
**CONSERVATION & NATURAL RESOURCES**  
**DIVISION OF CONSERVATION DISTRICTS (101-4151)**  
**BUDGET PAGE DCNR-41**

Wayne Thorley, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, summarized the Division of Conservation Districts, budget account 4151. He requested the Subcommittees turn to page 89 of the closing document ([Exhibit C](#)). He noted that decision unit Enhancement (E) 225 increased the funding for travel and operating costs.

According to Mr. Thorley, the Governor recommended General Fund appropriations of \$17,023 in fiscal year (FY) 2014 and \$14,700 in FY 2015 to fund out-of-state travel for the program manager to attend the National Association of State Conservation Agencies meeting and to increase in-state travel and certain operating costs for dues and registrations.

The agency stated that the program manager was hired midyear of FY 2012. As a result, the actual expenditures reflected six months of in-state travel and operating costs for the program manager. Mr. Thorley noted that the agency advised that the recommended increase in funding for the in-state travel represented the agency's estimated full-year cost for a fully funded travel budget for this position.

Base funding recommended for in-state travel was \$9,880 in each fiscal year. Inclusive of the recommended increase in funding for in-state travel of \$12,923 in FY 2014 and \$10,600 in FY 2015, total funding included in The Executive Budget for in-state travel for one staff member was \$22,803 in FY 2014 and \$20,480 in FY 2015. Mr. Thorley pointed out this amount represented a 113 percent and 91 percent increase, respectively, over the FY 2012 actual in-state travel expenditures of \$10,703.

Mr. Thorley suggested the Subcommittees consider the following three options:

1. Approve the Governor's recommended General Fund appropriations of \$17,023 in FY 2014 and \$14,700 in FY 2015 to increase funding for in-state travel, registrations, membership dues, and out-of-state travel.

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2. Approve a reduced General Fund appropriation of \$8,220 in each fiscal year to increase funding for in-state travel by \$4,120 each fiscal year and to increase funding for registrations, membership dues, and out-of-state travel as recommended by the Governor. This option would result in a General Fund savings of \$8,803 in FY 2014 and \$6,480 in FY 2015.
3. Do not approve the Governor's recommended General Fund appropriations of \$17,023 in FY 2014 and \$14,700 in FY 2015 to increase funding for in-state travel, registrations, membership dues, and out-of-state travel.

Hearing no response to his request for comments or questions, Chairman Bobzien requested a motion.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE OPTION 2, A REDUCED GENERAL FUND APPROPRIATION OF \$8,220 IN EACH FISCAL YEAR TO INCREASE FUNDING FOR IN-STATE TRAVEL BY \$4,120 EACH FISCAL YEAR AND TO INCREASE FUNDING FOR REGISTRATIONS, MEMBERSHIP DUES, AND OUT-OF-STATE TRAVEL.

SENATOR PARKS SECONDED THE MOTION.

Senator Goicoechea verified that the travel costs for the three sage grouse specialists were not included in decision unit E-225 for this budget account. Mr. Thorley confirmed Senator Goicoechea's statement.

MOTION CARRIED UNANIMOUSLY.

Chairman Bobzien closed the hearing on budget account 4151 and opened the hearing on the Nevada Department of Corrections budgets.

**PUBLIC SAFETY**  
**DEPARTMENT OF CORRECTIONS**  
**DEPARTMENT-WIDE**

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of the Nevada Department of

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Corrections (NDOC) departmentwide budget. Ms. Coffman directed the attention of the Subcommittees to page 2 of the [Exhibit C](#) closing documents.

At the April 19, 2013, budget closing, there was an item held by the Subcommittees regarding the transfer of 13 correctional officer positions and 13 senior correctional officer positions. Ms. Coffman advised that NDOC submitted budget amendments for the proposed 26 transfers. The NDOC stated that staffing patterns needed to be adjusted at the Northern Nevada Correctional Center, Florence McClure Women's Correctional Center, Southern Desert Correctional Center, and High Desert State Prison.

Fiscal Analysis Division staff noted that the 2011 Legislature eliminated the senior correctional officer classification and directed NDOC to eliminate those positions through attrition. According to Ms. Coffman, NDOC testified on February 22, 2011, that the senior correctional officer positions did not perform tasks outside of the duties of the correctional officer positions. Accordingly, during the 2011-2013 biennium, NDOC reclassified 89 senior correctional officer positions to correctional officer positions; however, NDOC stopped reclassifying the positions at some time during the 2011-2013 biennium. There were 45 senior correctional officer positions that became vacant during the 2011-2013 biennium, but the positions were not reclassified to correctional officer positions. Had the positions been reclassified as directed, NDOC would have saved General Fund appropriations of about \$70,000 over the 2011-2013 biennium.

Ms. Coffman noted that the Subcommittees requested that NDOC provide additional information regarding the requested need for the senior correctional officer positions. On page 3 of [Exhibit C](#), Ms. Coffman had listed the positions NDOC stated were filled by senior correctional officers. These included certain positions in:

- Housing units
- Control room units
- Visiting room units
- Yard investigator units
- Search and escort units
- Sally port units
- Correctional emergency response teams
- Culinary units

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- Infirmary/medical/mental health units
- Segregation units
- Fire/safety officer units

Page 4 of the exhibit provided a table displaying the numbers of senior correctional officers at each facility and the associated responsibilities. Ms. Coffman suggested the Subcommittees consider three options:

1. Approve the position transfers as recommended by the Governor in budget amendments A130023717, A130023738, A130023761, and A130023762, and provide NDOC with authority to retain the remaining 185 senior correctional officer positions.
2. Do not approve the position transfers as recommended by the Governor and reclassify the 45 senior correctional officer positions that experienced vacancies in the 2011-2013 biennium to correctional officer positions.
3. Approve the position transfers as recommended by the Governor in budget amendments A130023717, A130023738, A130023761, and A130023762 and direct NDOC to resume reclassifying senior correctional officer positions to correctional officer positions as they become vacant in the 2013-2015 biennium as originally directed by the 2011 Legislature.

Hearing no response to his request for comments or questions from the Subcommittees, Chairman Bobzien requested a motion.

SENATOR PARKS MOVED TO APPROVE THE POSITION TRANSFERS AS RECOMMENDED BY THE GOVERNOR IN BUDGET AMENDMENTS A130023717, A130023738, A130023761, AND A130023762 AND PROVIDE NDOC WITH AUTHORITY TO RETAIN THE REMAINING 185 SENIOR CORRECTIONAL OFFICER POSITIONS AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

MOTION CARRIED. (Assemblywoman Kirkpatrick was not present for the vote.)

**PUBLIC SAFETY**  
**DEPARTMENT OF CORRECTIONS**  
**DIRECTOR'S OFFICE (101-3710)**  
**BUDGET PAGE CORRECTIONS-14**

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, directed the Subcommittees' attention to budget account (BA) 3710, Director's Office, Nevada Department of Corrections (NDOC). She noted there were three major closing items to be reviewed.

The first major closing item was a request for 4.51 full-time-equivalent (FTE) positions in decision unit Maintenance (M) 504 and decision units Enhancement (E) 225, E-231, and E-232. The first position was a full-time criminal investigator 3 position in decision unit M-504. The position would assist two existing criminal investigator positions with responsibilities required by the Prison Rape Elimination Act (PREA). In September 2003, the federal government created standards and provisions for PREA. Effective August 2013, the provisions would become mandatory for NDOC. At that time, the criminal investigators would be responsible for:

- The PREA training for all contractors, volunteers, staff, new recruits, and inmates.
- Investigating all PREA-related allegations made verbally, in writing, anonymously, or from a third party.
- Performing background investigations of all current employees and new recruits.

Ms. Coffman noted that the table on page 7 of [Exhibit C](#) provided the history of the PREA-related allegations from fiscal year (FY) 2009 to FY 2013. The NDOC was unable to provide an estimate of the number of allegations anticipated during the 2013-2015 biennium; however, NDOC believed the number would increase because of educating the inmate population. If the criminal investigator 3 position was not approved and NDOC did not meet the PREA standards, NDOC expected it would experience increased litigation. Additionally, NDOC believed the costs of the position would be offset by cost avoidance in potential litigation costs.

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The second position requested was a full-time administrative assistant 1 under decision unit E-225. Ms. Coffman explained the position was to provide administrative support for the National Crime Information Center (NCIC), overseen by NDOC's Offender Management Division. The position would conduct background checks and respond to questions from persons wishing to visit inmates, as well as those who wanted to volunteer professional services for the inmates. Currently, staff from the Offender Management Division was performing these duties as time permitted.

The next positions discussed were two full-time information technology (IT) technician 6 positions. Ms. Coffman noted one position would be dedicated to the Ely State Prison (ESP) and the other dedicated to the Casa Grande Transitional Center (CGTC). The technicians would be responsible for installing hardware, restarting local area networks, assisting staff with application and system problems, and backing up data on the NDOC systems. At the present time, staff was called from High Desert State Prison or Southern Desert Correctional Center to resolve problems by either traveling to CGTC and ESP or by telephone, when possible. When IT staff traveled to ESP, it required an approximate ten-hour round-trip drive.

In conversations with NDOC, Ms. Coffman discovered NDOC anticipated incurring about \$156,000 in overtime over the 2013-2015 biennium to upgrade the operating systems of 160 computers if the positions were not approved.

The final position requested in decision unit E-232 was an information technology professional 3 (0.51 FTE) responsible for the State Board of Parole Commissioners module within the Nevada Offender Tracking Information Systems (NOTIS). According to Ms. Coffman, the current IT support staff reviewed the requests for assistance and determined the priorities. There had been instances when the Board of Parole Commissioners' requests were deferred to address higher priority problems.

Ms. Coffman pointed out that at the top of page 9 of [Exhibit C](#) there were bullet points denoting the enhancements requested by the Board of Parole Commissioners for the NOTIS. Those enhancements included:

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- Generating statistical reports specific to the Board's needs.
- Implementing a word processing function within NOTIS.
- Developing a list of values maintenance module.
- Providing ongoing ad hoc queries.
- Expanding the current NDOC data warehouse to include functionality for the Board.

The Board had stated that the additional IT staff would be required on an ongoing basis to ensure the IT needs would be addressed.

Ms. Coffman proposed the following options for the Subcommittees' consideration:

1. Approve the Governor's recommendation to provide General Fund appropriations of \$259,227 in FY 2014 and \$292,440 in FY 2015 to support the salaries, benefits, and operating costs of 4.51 new positions.
2. Approve only certain positions recommended by the Governor.
3. Do not approve the Governor's recommendation to provide General Fund appropriations of \$259,227 in FY 2014 and \$292,440 in FY 2015 to support the salaries, benefits, and operating costs of 4.51 new positions.

Hearing no response to his request for comments or questions from the Subcommittees, Chairman Bobzien requested a motion.

SENATOR GOICOECHEA MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO PROVIDE GENERAL FUND APPROPRIATIONS OF \$259,227 IN FY 2014 AND \$292,440 IN FY 2015 TO SUPPORT THE SALARIES, BENEFITS, AND OPERATING COSTS OF 4.51 NEW POSITIONS.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

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Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided information on the second major closing item, decision unit Enhancement (E) 230, the transfer of the telephone system to the Division of Enterprise Information Technology Services (EITS). The Department of Corrections (NDOC) testified at an earlier hearing that EITS had been requested to manage the NDOC telephone system. On March 15, 2013, the Budget Division submitted a budget amendment eliminating the Governor's recommendation for General Fund appropriations to make the transfer to EITS. According to NDOC, there were five departments requesting new telephone systems for EITS, creating a significant workload for EITS to complete during the 2013-2015 biennium; therefore, the request was withdrawn.

In lieu of transferring the telephone system to EITS, the Department of Administration recommended General Fund appropriations of \$20,000 in each year of the 2013-2015 biennium to make repairs to NDOC's existing telephone system. Ms. Coffman stated that the Fiscal Analysis Division staff questioned what repairs would be made with the recommended \$20,000 in each year of the biennium. According to the Budget Division, there was no basis for the calculation or projected needs identified by NDOC. The Director's Office budgeted \$92,000 in each year of the 2013-2015 biennium for extraordinary maintenance expenditures, which would be appropriate to use for repairs to the telephone system.

Ms. Coffman suggested the Subcommittees consider the following options:

1. Approve the Governor's recommendation, as amended, to provide NDOC with General Fund appropriations of \$20,000 in each year of the 2013-2015 biennium to fund telephone maintenance expenditures and defer the transfer of the NDOC telephone system to EITS to a future biennium.
2. Defer the transfer of the NDOC telephone system to EITS to a future biennium as recommended by the Governor, but do not approve the Governor's recommendation, as amended, to provide NDOC with General Fund appropriations of \$20,000 in each year of the 2013-2015 biennium to fund unidentified telephone maintenance expenditures.

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Hearing no response to the request for comments or questions from the Subcommittees, Chairman Bobzien requested a motion.

Because there was \$92,000 budgeted for extraordinary maintenance, Assemblyman Sprinkle said he was comfortable making the motion.

ASSEMBLYMAN SPRINKLE MOVED TO DEFER THE TRANSFER OF THE NDOC TELEPHONE SYSTEM TO EITS TO A FUTURE BIENNIUM AS RECOMMENDED BY THE GOVERNOR, BUT TO NOT APPROVE THE GOVERNOR'S RECOMMENDATION, AS AMENDED, TO PROVIDE NDOC WITH GENERAL FUND APPROPRIATIONS OF \$20,000 IN EACH YEAR OF THE 2013-2015 BIENNIUM TO FUND UNIDENTIFIED TELEPHONE MAINTENANCE EXPENDITURES.

SENATOR WOODHOUSE SECONDED THE MOTION.

Senator Goicoechea was aware the \$92,000 was available for extraordinary maintenance; however, he was concerned that if the money were used for the telephone system, there would not be funds available for other maintenance problems. Many unexpected problems could arise within the prison system. He believed that it might be wiser to approve the \$20,000 for each year of the biennium for unidentified telephone maintenance expenditures.

Chairman Bobzien responded there was not a clear calculation provided to Fiscal Analysis Division staff for establishment of the \$20,000 maintenance fund for each year of the biennium. He requested additional information. In his opinion, consolidating the telephone system with EITS was appropriate. He requested the NDOC director provide additional information.

James G. "Greg" Cox, Director, Department of Corrections, was accompanied by Mel Rosenberg, Chief IT Manager, Department of Corrections.

Mr. Rosenberg explained that NDOC had 20 different telephone systems operating in its facilities. In many cases, the systems were too old to repair because parts were no longer available. Mr. Rosenberg stated that should a system fail, \$20,000 could easily be spent for a single failure. He had initially requested a significantly higher appropriation.

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Chairman Bobzien asked what type of contingencies the \$92,000 would typically be used to cover.

Mr. Rosenberg responded that the maintenance fund would typically be used for such items as boilers, microwaves, or ovens.

Senator Parks commented that he had no problem with the \$20,000 appropriation; however, it appeared that would only be enough to cover minor repairs to the telephone system.

Mr. Cox responded that if there were a major breakdown, NDOC would be requesting support from EITS. Telephone operations were critical to the safety and security of any prison. Radios were used but were not as critical as the telephone system. He agreed that the \$92,000 was to be used for emergency repairs. He encouraged the Subcommittees to approve the Governor's recommendation.

Chairman Bobzien pointed out that the consolidation with EITS was important. He inquired whether there was a possibility of working with EITS should the telephone system fail. It was his understanding that EITS had money available to assist agencies with some of these costs on an ad hoc basis. He was curious whether NDOC had worked with EITS on replacing the telephone system on a "piecemeal" basis.

Mr. Cox replied that he had been in discussions with EITS regarding the needs of NDOC. He believed EITS would come to the assistance of NDOC in an emergency situation. According to Mr. Cox, Mr. Rosenberg had numerous meetings with EITS to discuss options.

It appeared to Assemblyman Sprinkle that the \$20,000 was to be used to repair "existing" problems. He asked whether NDOC could identify any existing problems.

Mr. Rosenberg was not able to say where the \$20,000 would be spent; however, over past biennia there had been repeated outages. The systems were old and when overheated would stop functioning.

Mr. Rosenberg further explained that if the Subcommittees did not appropriate the \$20,000 for the telephone system, NDOC would have to use money from

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the \$92,000 fund, leaving less money to use for other contingencies. The \$20,000 would be used solely for telephone system repairs.

Chairman Bobzien felt it was important to keep the \$92,000 contingency fund in place for emergencies. He suggested that NDOC report during the interim on the progress working with EITS on this problem. He did not want to defer the consolidation for two years, but understood that it would take time.

ASSEMBLYMAN SPRINKLE WITHDREW THE MOTION.

Chairman Bobzien requested a new motion.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION, AS AMENDED, TO PROVIDE NDOC WITH GENERAL FUND APPROPRIATIONS OF \$20,000 IN EACH YEAR OF THE 2013-2015 BIENNIUM TO FUND TELEPHONE MAINTENANCE EXPENDITURES AND POSTPONE THE TRANSFER OF THE NDOC TELEPHONE SYSTEM TO EITS TO A FUTURE BIENNIUM WITH THE UNDERSTANDING THAT NDOC WILL WORK WITH EITS DURING THE INTERIM.

SENATOR WOODHOUSE SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Chairman Bobzien requested Mr. Cox provide the Subcommittees with an update on litigation regarding serving of common-fare or kosher diets to the inmates.

Mr. Cox explained that the class-action suit had been dismissed. The federal court system determined there was no merit to the current case. The NDOC was working with the Office of the Attorney General in submitting information to the courts. The NDOC was gradually moving the inmate population to the common-fare diet to cut costs by nearly half beginning July 1, 2013. The change could not be made sooner because food had been purchased and could not be returned. The kosher meals would be stored in the event of a natural disaster. Mr. Cox believed having the meals available would

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reduce the liability in litigation. He was pleased with the decision; however, he believed there would additional lawsuits filed as a result of the decision.

Assemblywoman Kirkpatrick expressed her pleasure with the outcome of the litigation. She noted the meals would be good for up to one year in the freezer and would provide NDOC with backup meals if necessary.

Chairman Bobzien requested Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, continue the presentation.

Ms. Coffman moved to the third major closing item for budget account (BA) 3710, the Victim Information and Notification System Everyday (VINE), noting that on April 16, 2013, the Budget Division submitted a budget amendment for the Office of the Attorney General (AG), which added General Fund appropriations of \$35,000 in each year of the 2013-2015 biennium. The funding was to provide for the Department of Corrections' (NDOC) portion of the annual maintenance contract for the statewide automated VINE system. Fiscal Analysis Division staff noted that passage of Senate Bill 26 would create a VINE system in the AG's office.

During the AG budget closing process, the \$35,000 was not approved for inclusion in the AG budget accounts. It was recommended the \$35,000 be placed in the NDOC Director's Office budget account (BA) 3710. Ms. Coffman advised the \$35,000 would be maintained in a General Fund account. In addition, it would provide long-term accountability for the funding.

Ms. Coffman asked whether the Subcommittees wanted to provide the Director's Office with the \$35,000 General Fund appropriations.

Chairman Bobzien asked for comments or questions. Hearing none Chairman Bobzien requested a motion.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE GENERAL FUND APPROPRIATIONS OF \$35,000 IN EACH YEAR OF THE 2013-2015 BIENNIUM TO SUPPORT ONGOING MAINTENANCE COSTS ASSOCIATED WITH THE VINE SYSTEM, CONSISTENT WITH THE CLOSING ACTIONS IN THE OFFICE OF THE ATTORNEY GENERAL'S VICTIMS OF DOMESTIC VIOLENCE ACCOUNT AND CONTINGENT ON THE PASSAGE OF S.B. 26, AND TO

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AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE  
TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, continued with the other closing items on pages 10 through 13 of [Exhibit C](#). Ms. Coffman advised the Subcommittees that the items appeared reasonable to Fiscal Analysis Division staff. There was not a budget amendment submitted by the Budget Division to revise the JFA Associates inmate population projections for decision unit Maintenance (M) 200; however, Fiscal Analysis Division staff recommended the inmate-driven expenditures associated with replacement mattresses and drug testing be adjusted to accommodate the JFA Associates revisions. There were no problems with the other closing items, according to Ms. Coffman.

Chairman Bobzien asked for comments or questions from the Subcommittees. Hearing none, he requested a motion.

SENATOR PARKS MOVED TO APPROVE OTHER CLOSING ITEMS  
AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE  
FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL  
ADJUSTMENTS ASSOCIATED WITH CASELOAD ADJUSTMENTS  
AND DECISIONS PREVIOUSLY MADE BY THE SUBCOMMITTEES  
ON DEPARTMENTWIDE ISSUES.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

#### **PUBLIC SAFETY**

#### **DEPARTMENT OF CORRECTIONS**

#### **PRISON MEDICAL CARE (101-3706)**

#### **BUDGET PAGE CORRECTIONS-26**

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, directed the Subcommittees' attention to

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page 15 of [Exhibit C](#). The Governor recommended about \$18 million in fiscal year (FY) 2014 and \$18.8 million in FY 2015 for inmate-driven medical expenses as adjusted by decision unit Maintenance (M) 101 and amended by budget amendment A130023706 for final JFA Associates inmate population projections.

According to Ms. Coffman, the 2011 money committees were concerned with the Department of Corrections (NDOC) inmate-driven medical costs for FY 2008 through FY 2010. In response to those concerns, NDOC revised the request for proposal (RFP) process. Originally, NDOC requested samples from contractors. Based on the samples, NDOC would choose the contractor with the best rate for that sample. In FY 2011, NDOC provided each preferred provider organization (PPO) bidder with the entire FY 2010 medical claims experience and requested the PPO bidders to reprice the claims based on the rate they would charge NDOC. The NDOC then determined which PPO would have provided the lowest rates for services most frequently required by inmates in FY 2010. Based on the new RFP methodology, NDOC signed new PPO contracts in October 2012 with Hometown Health for northern Nevada and with MultiPlan, Inc. for southern Nevada.

The NDOC decreased the inmate-driven outside medical costs by 25.6 percent in the last two years. Ms. Coffman noted that in FY 2010 NDOC incurred expenses of \$13,428,965 and in FY 2012, NDOC incurred \$9,992,651. The Department was on track to incur expenses of about \$10.4 million in FY 2013.

Because of the volatility of the outside medical costs, Ms. Coffman explained the Budget Division historically adjusted inmate-driven medical expenses in the base year to reflect the costs associated with a four-year average. Because of the approximate \$1.5 million stale claims incurred by NDOC in FY 2011, the Budget Division based NDOC's projected inmate-driven medical expenses for FY 2012 on a three-year historic average, excluding FY 2011. Accordingly, the medical costs per inmate were adjusted in the base year from \$1,213.72 per inmate to \$1,278.66 per inmate.

Ms. Coffman pointed out the Governor recommended inflationary increases of \$1,396,579 in FY 2014 and \$2,111,670 in FY 2015 for outside medical care, pharmaceutical contracts, prescription drugs, dental supplies, and medical supplies (M-101).

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Additionally, the 2011 Legislature approved similar inflationary adjustments to the noted medical expenditures for each year of the 2011-2013 biennium. During FY 2012, NDOC reverted about \$1.4 million, showing the inflationary adjustment was unnecessary. According to Ms. Coffman, if the inflationary adjustments had not been included in the FY 2012 budget, the agency would have reverted only \$305,427 to the General Fund at the end of the fiscal year.

The table on page 17 of the exhibit provided NDOC inmate-driven medical expenditures per inmate per year. Ms. Coffman noted that in FY 2015, the projected inmate-driven medical expenditures were lower than those incurred in FY 2011. Fiscal Analysis Division staff noticed that the inmate-driven medical expenditures provided in The Executive Budget did not take into consideration savings that would be realized by the provisions of the Affordable Care Act of 2010 (ACA) or current Medicaid eligibility for inmates. Beginning July 2012, NDOC began seeking Medicaid eligibility for pregnant inmates and inmates over the age of 65 who received treatment from outside medical facilities for longer than 24 hours. In FY 2012, there were 24 NDOC inmates eligible for Medicaid coverage and \$22,033 of the \$54,043 in medical costs were paid by the state. The NDOC projected outside medical expenditures for pregnant inmates and inmates over the age of 65 for the 2013-2015 biennium would be approximately \$1 million in FY 2014 and \$1.1 million in FY 2015. Because the medical costs were 60 percent covered, \$611,805 in FY 2014 and \$664,162 in FY 2015 would be paid directly by Medicaid.

Ms. Coffman further explained that on January 1, 2014, the ACA would expand to include adults 19 to 64 years of age who were considered childless and whose income was below 138 percent of the federal poverty level (FPL). Inmates were not eligible for Medicaid unless the inmate received outside medical care for more than 24 hours. During FY 2012, there were 234 inmates who received \$4.4 million in outside medical care that would have been covered had the ACA been in effect.

According to Ms. Coffman, NDOC estimated that if the noted exception to Medicaid eligibility continued through the 2013-2015 biennium, federal medical assistance would pay for medical costs of approximately \$2.1 million in FY 2014 and \$4.5 million in FY 2015 for childless inmates who were 19 to 64 years of age and whose income was below 138 percent of FPL. Accordingly, total projected federal medical assistance for outside medical costs associated with pregnant inmates, inmates over the age of 65, and childless

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inmates ages 19 to 64 would be about \$2.7 million in FY 2014 and \$5.2 million in FY 2015.

Fiscal Analysis Division staff discussed the matter with NDOC, which indicated that if it were required to seek eligibility for Medicaid for inmates, it would necessitate two additional positions. Because NDOC did not know the position titles, the Division of Human Resource Management would be responsible for reviewing the tasks associated with the positions to provide correct titles. However, for budgeting purposes, it appeared that two administrative assistant 3 positions would be appropriate to provide for the Medicaid-eligibility filings. Ms. Coffman advised that the combined General Fund appropriations of \$69,647 in FY 2014 and \$99,182 in FY 2015 would be required to fund the two positions.

In conversations with NDOC, Ms. Coffman found that the Department had consulted with the state of Washington, which had been receiving Medicaid for certain inmates for several years, regarding situations it had experienced with Medicaid. The state of Washington had experienced difficulties with obtaining signatures from the inmates to file for Medicaid on their behalf, either because the inmate was incapacitated or because the inmate was not willing to cooperate with the state. Accordingly, the state of Washington passed legislation to exempt its corrections department from the requirement to obtain an inmate's signature when filing on behalf of the inmate for Medicaid because the inmate was a ward of the state. Ms. Coffman suggested the Subcommittees consider a bill draft request similar to the Washington legislation should NDOC be requested to seek Medicaid eligibility for inmates.

On page 18 of [Exhibit C](#), Ms. Coffman pointed out the following three options for consideration by the Subcommittees:

1. Approve the Governor's recommendation for inmate-driven medical expenditures, as amended, including inflationary adjustments for outside medical care, pharmaceutical contracts, prescription drugs, dental supplies, and medical supplies.
2. Approve the Governor's recommendation for inmate-driven medical expenditures as amended, but do not approve inflationary adjustments for outside medical care, pharmaceutical contracts, prescription drugs, dental supplies, and medical supplies.

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3. Approve inmate-driven medical expenditures, as amended, with Governor-recommended inflationary adjustments of \$1,396,579 in FY 2014 and \$2,111,670 in FY 2015 for outside medical care, pharmaceutical contracts, prescription drugs, dental supplies, and medical supplies, and reduce outside medical expenditures by about \$2.7 million in FY 2014 and about \$5.2 million in FY 2015 to account for the estimated medical expenditures that would be directly paid by Medicaid.

If the Subcommittees approved the third option, Ms. Coffman suggested they may wish to approve General Fund appropriations of \$69,647 in FY 2014 and \$99,182 in FY 2015 for two administrative assistant 3 positions to conduct and oversee Medicaid eligibility filings for NDOC and recommend a bill draft request to exempt NDOC from being required to obtain an inmate's signature when filing for Medicaid on behalf of an inmate. Fiscal Analysis Division staff also requested the authority to make technical adjustments.

Chairman Bobzien commented that this was an innovative direction for the state. He requested comments or questions from the Subcommittees. There being none, he requested a motion.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE OPTION 3 INCLUDING THE RECOMMENDATIONS FROM FISCAL ANALYSIS DIVISION STAFF FOR ADDITIONAL GENERAL FUND APPROPRIATIONS TO FUND TWO ADDITIONAL POSITIONS AND A BILL DRAFT REQUEST CONCERNING AN EXEMPTION FOR SIGNATURES PERTAINING TO INMATE MEDICAID COVERAGE, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR WOODHOUSE SECONDED THE MOTION.

MOTION CARRIED. (Senator Parks and Assemblywoman Kirkpatrick were not present for the vote.)

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained the second major concern for budget account (BA) 3706 was regarding full-time-equivalent (FTE) position changes approved during the 2011-2012 interim by the Department of Administration. The position changes, which resulted in a net increase

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of 0.71 FTE, were presented as information only to the Interim Finance Committee (IFC) and were recommended to better align staff with the healthcare needs of the inmates. She suggested the Subcommittees might consider approval to continue the FTE position increase in the 2013-2015 biennium.

Hearing no response to his request for comments or questions on the matter, Chairman Bobzien called for a motion.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE CONTINUATION OF THE ADDITIONAL 0.71 FTE POSITION IN THE 2013-2015 BIENNIUM.

SENATOR GOICOECHEA SECONDED THE MOTION.

MOTION CARRIED. (Senator Parks and Assemblywoman Kirkpatrick were not present for the vote.)

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that other closing items 1, 3, and 4 on page 19 of [Exhibit C](#), appeared reasonable; however, she noted that item 2, which requested funding for autopsies in decision unit Enhancement (E) 225, was contingent on the passage of Assembly Bill 422.

Hearing no response to his request for comments or questions on the matter, Chairman Bobzien called for a motion.

SENATOR GOICOECHEA MOVED TO APPROVE OTHER CLOSING ITEMS 1, 3, AND 4 AS RECOMMENDED BY THE GOVERNOR, INCLUDING CASELOAD ADJUSTMENTS IDENTIFIED IN BUDGET AMENDMENT A130023706, APPROVE OTHER CLOSING ITEM 2 CONTINGENT UPON THE PASSAGE OF A.B. 422 AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS RELATING TO THE SUBCOMMITTEES' DECISIONS ON DEPARTMENTWIDE ISSUES.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

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MOTION CARRIED. (Senator Parks and Assemblywoman Kirkpatrick were not present for the vote.)

[Chairman Bobzien turned the chair over to Senator Woodhouse.]

**PUBLIC SAFETY**

**DEPARTMENT OF CORRECTIONS**

**CORRECTIONAL PROGRAMS (101-3711)**

**BUDGET PAGE CORRECTIONS-32**

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, noted there were no major concerns in budget account (BA) 3711. The account included unbalanced fund transfers from the Department of Public Safety (DPS) Justice Assistance Act budget account that did not correspond with the Nevada Department of Corrections (NDOC) program account. The Budget Division advised that the DPS Justice Assistance Act budget account had sufficient funding to provide for the projected transfers. This appeared reasonable to Fiscal Analysis Division staff.

Hearing no response to her request for comments or questions on the matter, Senator Woodhouse called for a motion.

SENATOR GOICOECHEA MOVED TO APPROVE BA 3711 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS RELATING TO THE SUBCOMMITTEES' DECISIONS ON DEPARTMENTWIDE ISSUES.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

MOTION CARRIED. (Senator Parks and Assemblymen Bobzien and Kirkpatrick were not present for the vote.)

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**PUBLIC SAFETY**  
**DEPARTMENT OF CORRECTIONS**  
**PAROLE SERVICES (101-3712)**  
**BUDGET PAGE CORRECTIONS-36**

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided the Subcommittees with an overview of budget account (BA) 3712. She recalled that concerns outlined in [Exhibit C](#) were provided to the Subcommittees in the work session document. The Nevada Department of Corrections (NDOC) was recommending creation of a parole services account within NDOC. The account would be staffed with 71 sworn and 34 nonsworn staff transferred from the Division of Parole and Probation (P&P), Department of Public Safety (DPS). The NDOC advised that the transfer of this staff would reduce duplication of effort and provide for a continuum of care. While NDOC anticipated reductions to recidivism, the agency had not provided data to support this conclusion.

Ms. Coffman noted that on page 25 of [Exhibit C](#), the table based on the expenditures identified in The Executive Budget associated with transferring the parole services to NDOC showed the additional cost of \$463,931 in fiscal year (FY) 2014 and \$458,777 in FY 2015. However, Fiscal Analysis Division staff performed an analysis of the shared costs charged to NDOC from DPS in The Executive Budget and determined NDOC would be overcharged by \$336,928 in FY 2014 and \$353,811 in FY 2015. Accordingly, if the transfer was approved, additional General Fund appropriations of \$127,003 in FY 2014 and \$104,966 in FY 2015 would be needed to support two new positions (deputy director and accountant technician) proposed by the Governor in decision unit Enhancement (E) 240. In conversations with NDOC, Ms. Coffman was informed the accountant technician was no longer needed because the DPS had offered to collect the supervisory fees for both departments.

On page 26 of the exhibit, Ms. Coffman explained the concerns addressed during a previous hearing. The costs in future biennia were identified for system upgrades to the Nevada Offender Tracking Information System (NOTIS), staff relocation, possibility of new staff, and additional travel. In addition, other concerns were expressed regarding performance indicators provided by NDOC. The NDOC had not provided the Subcommittees or Fiscal Analysis Division staff

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with current statistical data for the recommended performance indicators and the associated projected improvements.

Ms. Coffman continued, noting there were concerns with the duplication of effort. The Division of Parole and Probation (P&P) would be supervising persons who were on both parole and probation. There would be situations where a parole officer and a probation officer would be supervising the same person.

The next concern addressed by Ms. Coffman was the increase in court appearances. Court appearances were not required by P&P officers for their assigned parolees, only for probationers. Under the Governor's proposal, P&P anticipated increased court appearances for probation officers because the caseload would shift to 100 percent probationers.

According to Ms. Coffman, NDOC was not able to obtain information cited from other states that operated parole services within their correctional departments similar to the Governor's proposal. Accordingly, there was no established correlation between the reduced costs and recidivism rates resulting from transferring the parole functions to NDOC.

Ms. Coffman pointed out there were some miscellaneous expenditures requested for the transfer. These were primarily associated with the purchase of badges and training of managerial staff. The Governor initially recommended three additional motor pool vehicles (decision unit E-241); however, NDOC said those were erroneously placed in the budget. A budget amendment was submitted to remove the request. Additionally, the budget amendment eliminated \$18,999 in FY 2014 for a new vehicle proposed for the deputy director and provided \$5,220 in each year of the biennium for motor pool vehicle rental associated with the new position.

Ms. Coffman suggested the Subcommittees consider the following options:

1. Approve the Governor's recommendation to:

- Transfer parole services from the DPS to a newly proposed parole services account within NDOC.

- Transfer 105 positions from P&P to NDOC to staff parole services and reclassify those positions to specific positions for the parole services function within NDOC.
- Reclassify five parole agent 2 positions to parole agent 1 positions.
- Approve a new deputy director position to manage the proposed Community Services Division and revise the position's associated operating expenses to eliminate \$18,999 in FY 2014 for a new vehicle and instead provide \$5,220 in each year of the biennium for motor pool vehicle rental as recommended in budget amendment A13A0081.
- Approve General Fund appropriations of \$13,477 in FY 2014 and \$20,785 in FY 2015 for new badges and peace officer training for managerial staff, as amended in budget amendment A13A0081.

If this option were approved, the Subcommittees should consider not approving the Governor's recommendation for a new accounting technician because DPS stated it would continue to process the supervisory fees associated for NDOC, negating the need for the position. Fiscal Analysis Division staff would also request authority to reduce shared costs charged to NDOC by DPS by \$336,928 in FY 2014 and \$353,811 in FY 2015.

2. Do not approve the Governor's recommendation to transfer the parole services function from DPS to a newly proposed parole services account within NDOC. This option would result in General Fund savings of \$127,003 in FY 2014 and \$104,966 in FY 2015. If this option were approved, Fiscal Analysis Division staff requested authority to make technical adjustments in both the NDOC parole services account and the DPS P&P account.

[Chairman Bobzien resumed the chair.]

Assemblyman Sprinkle expressed his opinion that this was not a necessary transfer. There had been a considerable amount of opposing testimony received on the proposal.

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Hearing no response to his request for additional comments or questions on the matter, Chairman Bobzien called for a motion.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE OPTION 2 TO NOT APPROVE THE GOVERNOR'S RECOMMENDATION AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR WOODHOUSE SECONDED THE MOTION.

Senator Goicoechea commented that it appeared more time was needed to prepare for such a transfer. Although he supported the motion, he opined that the public should accept that this was the direction in which the state was headed.

MOTION CARRIED. (Senator Parks and Assemblywoman Kirkpatrick were not present for the vote.)

## **PUBLIC SAFETY**

### **DEPARTMENT OF CORRECTIONS**

#### **OFFENDERS' STORE FUND (240-3708)**

#### **BUDGET PAGE CORRECTIONS-141**

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, summarized budget account (BA) 3708 for the Subcommittees. There was one major closing item to consider. A new information technology (IT) professional 2 position was requested under decision unit Enhancement (E) 231. The Nevada Department of Corrections (NDOC) testified at an earlier hearing that it was upgrading the trust and commissary system to be compatible with the offender management system. According to NDOC, when the two systems became compatible, transactional data from both systems would be automatically transferred to a data warehouse. The NDOC believed the information between the two systems could then be shared. Additional work would be required of the Offenders' Store Fund IT staff, as they would be able to generate meaningful ad hoc reports. The reports could provide information on the purchasing habits of inmates.

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At the present time, the existing IT professional 3 spent between 30 to 50 percent of the time performing ad hoc queries for end users. The NDOC was confident that there would be enough work for two IT professionals; however, NDOC was unable to provide Fiscal Analysis Division staff with an estimate of the time that would be spent on the anticipated increase in ad hoc queries.

Ms. Coffman suggested the Subcommittees consider the following options:

1. Approve the Governor's recommendation for a new IT professional 2 position to assist the existing IT professional 3 with ad hoc queries.
2. Defer the approval of this position and direct NDOC to resubmit its request for a new IT professional 2 position at a future Interim Finance Committee meeting when the Department was able to more clearly identify the effect on the existing IT professional 3 position's workload as a result of making the trust and commissary system compatible with the offender management system.
3. Do not approve the Governor's recommendation for a new IT professional 2 position.

There being no response to his request for comments or questions, Chairman Bobzien requested a motion.

SENATOR WOODHOUSE MOVED TO APPROVE OPTION 2 TO DEFER THE APPROVAL OF THE POSITION UNDER DECISION UNIT E-231 TO A FUTURE INTERIM FINANCE COMMITTEE MEETING.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

MOTION CARRIED. (Senator Parks and Assemblywoman Kirkpatrick were not present for the vote.)

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, noted the other closing items provided on pages 30 through 32 of [Exhibit C](#) appeared reasonable to Fiscal Analysis Division staff.

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ASSEMBLYMAN SPRINKLE MOVED TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR, INCLUDING THE CASELOAD ADJUSTMENTS IDENTIFIED IN BUDGET AMENDMENT A130023708, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS RELATING TO THE SUBCOMMITTEES' DECISIONS ON DEPARTMENTWIDE ISSUES.

SENATOR GOICOECHEA SECONDED THE MOTION.

MOTION CARRIED. (Senator Parks and Assemblywoman Kirkpatrick were not present for the vote.)

#### **PUBLIC SAFETY**

#### **DEPARTMENT OF CORRECTIONS**

#### **INMATE WELFARE ACCOUNT (240-3763)**

#### **BUDGET PAGE CORRECTIONS-150**

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, moved to budget account (BA) 3763, the Inmate Welfare Account. The one major closing item to be discussed was in decision unit Enhancement (E) 275, a new administrative assistant position. The position would be responsible for assisting the Nevada Department of Corrections (NDOC) Education Division. The Education Division consisted of one education programs professional that also performed clerical functions for the Division. It was the goal of NDOC to increase the number of GED (general education development) certificates and high school diplomas by 10 percent over the 2013-2015 biennium. The NDOC believed that an administrative assistant would allow the education programs professional to focus on the goal of increasing the number of inmates earning GED certificates and high school diplomas.

Hearing no response to his request for comments or questions on the matter, Chairman Bobzien called for a motion.

ASSEMBLYMAN GRADY MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR A NEW ADMINISTRATIVE ASSISTANT POSITION FOR THE EDUCATION DIVISION, NEVADA DEPARTMENT OF CORRECTIONS.

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SENATOR WOODHOUSE SECONDED THE MOTION.

MOTION CARRIED. (Senator Parks and Assemblywoman Kirkpatrick were not present for the vote.)

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided information on the other items for consideration. Under decision unit Maintenance (M) 200, a budget amendment was submitted to adjust the inmate welfare fund revenue and expenditure authority to reflect the revised inmate population projections submitted by JFA Associates.

SENATOR WOODHOUSE MOVED TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR, INCLUDING THE CASELOAD ADJUSTMENTS IDENTIFIED IN BUDGET AMENDMENT A130023763, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS RELATING TO THE SUBCOMMITTEES' DECISIONS ON DEPARTMENTWIDE ISSUES.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

MOTION CARRIED. (Senator Parks and Assemblywoman Kirkpatrick were not present for the vote.)

**PUBLIC SAFETY**  
**DEPARTMENT OF CORRECTIONS**  
**PRISON INDUSTRY (525-3719)**  
**BUDGET PAGE CORRECTIONS-157**

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised the Subcommittees there was one major closing concern in budget account (BA) 3719. The table on page 36 of [Exhibit C](#) showed the Nevada Department of Corrections (NDOC) Prison Industry program had operated at a loss for three of the past five years. The auto/upholstery shop had incurred losses for the past four years with no notable improvement. The furniture and metal shops had operated at a loss for at least three years.

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According to Ms. Coffman, because of the combination of declining net profits and flat expenditures, averaging about \$4.5 million for the past five years, the Prison Industry programs' retained earnings had declined from \$1,508,703 in fiscal year (FY) 2008 to \$488,387 in FY 2012. In reviewing the revenues for FY 2013, Prison Industry was on track to generate revenue of approximately \$3.2 million, which was equivalent to the amount generated in FY 2012.

Fiscal Analysis Division staff noted that if the Prison Industry miscellaneous sales revenues remained flat over the 2013-2015 biennium, the agency would not have sufficient revenue to cover the operating expenditures over the biennium. As a result, the agency would deplete the retained earnings and be forced to shut down programs.

During the March 8, 2013, Subcommittees hearing, the Nevada Department of Corrections (NDOC) testified that it did not believe the Prison Industry program would realize an increase in its miscellaneous sales revenue over the 2013-2015 biennium. The Executive Budget originally projected an 18.3 percent increase in revenues over the 2013-2015 biennium. In a follow-up memorandum, Fiscal Analysis Division staff requested additional information regarding what expenditures should be reduced to accommodate the flat miscellaneous sales. The NDOC responded that it maintained its original position, and an 18.3 percent increase in revenues would be generated by offering products through different mediums, including Internet websites such as eBay, craigslist, and email.

On page 37 of [Exhibit C](#), the table displayed the Prison Industry retained earnings with and without projected revenue increases. Ms. Coffman pointed out that if Prison Industry miscellaneous sales did not exceed the FY 2012 level of about \$3.2 million in the 2013-2015 biennium, Fiscal Analysis Division staff estimated that the program's operating expenditures would exceed all available funding, deplete retained earnings, and require additional revenue of \$46,751 in FY 2014 and \$400,535 in FY 2015.

Hearing no response to his request for comments or questions, Chairman Bobzien called for a motion.

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ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE REVENUE PROJECTIONS DEVELOPED BY NDOC FOR THE PRISON INDUSTRY PROGRAM; TO ISSUE A LETTER OF INTENT DIRECTING NDOC TO PROVIDE THE COMMITTEE ON INDUSTRIAL PROGRAMS WITH QUARTERLY REPORTS ON THE MISCELLANEOUS SALES AND RETAINED EARNINGS GENERATED IN THE PRISON INDUSTRY ACCOUNT, AS WELL AS STEPS TAKEN EACH QUARTER TO ENSURE THE PROGRAM WAS NOT RELYING ON ITS RETAINED EARNINGS TO SUPPORT ONGOING OPERATING EXPENDITURES; AND IF THE PRISON INDUSTRY PROGRAM CONTINUED TO SUPPORT ITS OPERATING EXPENDITURES WITH RETAINED EARNINGS AFTER JUNE 30, 2014, REQUIRE THE PROGRAM TO REPORT TO THE INTERIM FINANCE COMMITTEE AND IDENTIFY THE STEPS IT WAS TAKING TO ENSURE THE PROGRAM WAS GENERATING SUFFICIENT REVENUE TO MEET ITS EXPENDITURE OBLIGATIONS.

SENATOR WOODHOUSE SECONDED THE MOTION.

Senator Goicoechea asked the Director of NDOC to provide additional information on the situation.

James G. "Greg" Cox, Director, Department of Corrections, stated that Alpine Steel was currently attempting to pay its debt to NDOC. There was legislation regarding the effect of the Alpine Steel debt on the Prison Industry account. With a forbearance agreement through the Office of the Attorney General, Mr. Cox was hopeful that NDOC would recoup the money owed by Alpine Steel.

Senator Goicoechea questioned whether the intent of the motion for Prison Industry to "pay its own way" would be reasonable.

Mr. Cox explained that NDOC was reviewing the losses and would have to make decisions regarding parts of the Prison Industry program. The NDOC reported during the interim to the Committee on Industrial Programs.

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Senator Goicoechea was concerned about the "swings" in the Prison Industry programs.

In response, Mr. Cox stated that NDOC had improved the marketing plan and contracts. He also thought that the outreach to other parts of the state had improved.

Assemblywoman Kirkpatrick believed it was important to reevaluate the Prison Industry programs. She believed there was an opportunity to put new programs in place. Her major concern was competition with the private sector because the state needed both industries.

Mr. Cox agreed with the comments made by Assemblywoman Kirkpatrick. He noted that NDOC looked at processes and the effects on the community and on the workers. He said he had presented that concern to the Board of State Prison Commissioners noting these things had not been done in the past. There were a significant number of statutes relating to Prison Industry that would be followed by NDOC. Prison industry programs throughout the country had been affected by the downturn in the economy. Mr. Cox assured the Subcommittees that any new industry would be scrutinized as to the effects and intent on the community and the state as defined by the Legislature. He stated he did not want to take jobs away from the private sector, but he believed Prison Industry was critical to the operation of NDOC. There would be difficult decisions made regarding the programs to keep operational. One of the goals for Prison Industry was to teach skills that could be applied to jobs when inmates were released from prison. Mr. Cox noted that the decisions weighed heavy on him because he was aware the inmates needed to be able to support their families when they were released.

[Chairman Bobzien turned the chair over to Senator Parks.]

Senator Parks expressed his appreciation for the comments made by Assemblywoman Kirkpatrick and Mr. Cox. Senator Parks noted there was a Committee on Industrial Programs, and the members had been outstanding. He encouraged the scheduling of a meeting as soon as possible following the end of the legislative session. By working together, he thought the Committee on Industrial Programs could be helpful to the Prison Industry program. He understood the problems Prison Industry faced with the economic downturn.

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Assemblyman Grady wondered whether the IFC had the authority to withdraw funding for Prison Industry programs if the interim reports showed the programs were continuing to operate at a loss.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, responded that he was not aware of specific authority for IFC to eliminate a program. Theoretically, if there was an elimination of a program by NDOC and a work program was submitted, it could be approved by the IFC. However, the IFC could not initiate the elimination of a program. It would have to be initiated by the Budget Division and probably would require action by the Board of State Prison Commissioners.

Mr. Cox said he appreciated Senator Parks' commitment to Prison Industry, and he agreed it was important to have the Committee on Industrial Programs meet to address the concerns of the Prison Industry program. The Committee was made up of outstanding people. Mr. Cox believed it was imperative to review the quarterly reports and recommendations to expand the programs and other recommendations to reduce costs. The NDOC would follow the statutes when introducing new programs for Prison Industry.

Senator Parks noted that a motion had been made by Assemblyman Sprinkle with a second by Senator Woodhouse. He requested a vote on the motion.

MOTION CARRIED. (Assemblyman Bobzien was not present for the vote.)

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, pointed out there were no major concerns with the other closing items on pages 37 and 38 of [Exhibit C](#) and all appeared reasonable.

Hearing no response to his request for comments or questions, Senator Parks requested a motion from the Subcommittees.

SENATOR GOICOECHEA MOVED TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS RELATING TO THE SUBCOMMITTEES' DECISIONS ON DEPARTMENTWIDE ISSUES.

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ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

MOTION CARRIED. (Assemblyman Bobzien was not present for the vote.)

**PUBLIC SAFETY  
DEPARTMENT OF CORRECTIONS  
PRISON RANCH (525-3727)  
BUDGET PAGE CORRECTIONS-163**

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of budget account (BA) 3727 for the Subcommittees. There were no major closing items for BA 3727. There was a request for replacement of equipment and the purchase of new equipment. Both appeared reasonable to Fiscal Analysis Division staff.

Hearing no response to his request for comments or questions, Senator Parks requested a motion from the Subcommittees.

SENATOR GOICOECHEA MOVED TO APPROVE THE PRISON RANCH ACCOUNT AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

MOTION CARRIED. (Assemblyman Bobzien was not present for the vote.)

**PUBLIC SAFETY  
DEPARTMENT OF MOTOR VEHICLES  
AUTOMATION (201-4715)  
BUDGET PAGE DMV-32**

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided a brief overview of budget account (BA) 4715 for the Subcommittees' consideration. There were three major items to be discussed. The first major item was training for information technology (IT) staff under decision unit Enhancement (E) 226. The Governor recommended Highway Funds totaling \$97,844 in fiscal year (FY) 2014 and \$85,051 in FY 2015 for IT staff to attend various types of IT training.

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The Department of Motor Vehicles (DMV) stated the IT staff was tasked with an assortment of projects requiring up-to-date knowledge in all aspects of networking and programming. The IT staff had not received training funds since the 2007-2009 biennium. The Legislature approved funding for training totaling \$143,514 in FY 2008 and \$147,310 in FY 2009.

According to Ms. Gamroth, the DMV stated that decision unit E-226 included four different training components, which allowed every DMV IT staff member a training opportunity. The number one priority for DMV was training for the application programmers. The requested training would be conducted on-site to maximize training dollars.

The second area of priority training, as stated by Ms. Gamroth, was systems training. The DMV explained that without training on the most current versions of software, staff was not aware of the new features that IBM had released. The features were designed to increase efficiencies in the mainframe and DB2 database systems.

The third priority was Remedy IT service management training. The DMV said Remedy was the enterprise application used to track help desk tickets and project service requests, as well as maintaining computer inventory information and providing the data used for the DMV Division of Information Technology performance measures.

The fourth priority was Skillsoft training. The licenses would allow staff to enroll in self-paced, online training in a variety of topics for both technical and professional development. The DMV stated that because of the quantity and quality of topics offered, this request would maximize the number of staff able to access training in the most convenient and efficient manner.

Ms. Gamroth pointed out that a budget amendment was submitted by the Budget Division to adjust the closing sheets and make minor modifications to the cost of travel expenses and to increase the Highway Fund appropriation by \$538 in FY 2014 and \$1,006 in FY 2015.

Hearing no response to his request for comments or questions, Senator Parks requested a motion from the Subcommittees.

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SENATOR GOICOECHEA MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO REINSTATE A TRAINING BUDGET FOR INFORMATION TECHNOLOGY STAFF, INCLUDING THE ADJUSTMENTS INCLUDED IN BUDGET AMENDMENT A130014715 FOR DECISION UNIT E-226, FUNDED WITH HIGHWAY FUNDS TOTALING \$98,382 IN FY 2014 AND \$86,057 IN FY 2015.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

MOTION CARRIED. (Assemblyman Bobzien was not present for the vote.)

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, noted the next major item for discussion was four new positions in decision units Enhancement (E) 250 and E-804. The Executive Budget included Highway Fund appropriations of \$326,863 in fiscal year (FY) 2014 and \$354,540 in FY 2015 for three new information technology (IT) professional 4 positions in decision unit E-250 for maintenance and programming of the Department of Motor Vehicles (DMV) application. The DMV stated the new positions would be tasked with reducing the current backlog of application maintenance and new programs that continued to increase as the DMV application continued to expand and new services were added. The DMV testified during the January 28, 2013, presession hearing that with the current IT backlog, the workload would take seven and one-half years using existing positions. The DMV provided written documentation verifying the backlog of projects.

Ms. Gamroth noted that according to the DMV, the positions would serve in team leadership roles to add advanced programming services to the various teams' efforts and to provide mentoring to the less experienced programmers. The approval of the additional positions would allow for approximately 5,000 additional programming hours per full fiscal year, which the DMV estimated would complete an average of five to six projects per year.

In addition, Ms. Gamroth pointed out that The Executive Budget included cost-allocation reimbursements from the Motor Vehicle Pollution Control account of \$102,491 in FY 2014 and \$116,032 in FY 2015 for a new IT professional 4 position (E-804) to support the vehicle information

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database (VID). According to DMV, the VID was a critical application that must be available on a continuous basis to support over 400 emission stations statewide, and there was only one programming position to support the VID application. When the VID application experienced production problems, all the emission stations throughout Nevada would be unable to conduct their emission inspections and testing.

Ms. Gamroth advised that the Budget Division submitted budget amendment A130014715, which decreased other costs including operating expenses, information services, and equipment for the three new positions included in decision unit E-250. The Executive Budget included funding for these other costs for four positions instead of three positions. The budget amendment decreased Highway Funds in decision unit E-250 by \$6,257 in FY 2014 and \$8,936 in FY 2015 as reflected on page 41 of [Exhibit C](#). In addition, Fiscal staff completed a technical adjustment that included vacancy savings in the personnel category for the three new positions based on the methodology used for vacancy savings in the base budget. The technical adjustment for vacancy savings increased the Highway Fund appropriation for decision unit E-250 by \$6,257 in FY 2014 and \$8,936 in FY 2015 and was reflected in [Exhibit C](#). The four new positions and associated costs with the adjustments included in budget amendment A130014715 and the technical adjustment noted for vacancy savings appeared reasonable.

Hearing no response to his request for comments or questions, Senator Parks requested a motion from the Subcommittees.

SENATOR WOODHOUSE MOVED TO APPROVE THE THREE NEW INFORMATION TECHNOLOGY PROFESSIONAL 4 POSITIONS IN DECISION UNIT E-250, INCLUDING BUDGET AMENDMENT A130014715, THE TECHNICAL ADJUSTMENT FOR VACANCY SAVINGS FOR DECISION UNIT E-250, AND THE NEW INFORMATION TECHNOLOGY PROFESSIONAL 4 POSITION IN DECISION UNIT E-804 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

MOTION CARRIED. (Assemblyman Bobzien was not present for the vote.)

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Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, moved to new software and annual subscription and support costs under decision unit Enhancement (E) 720. The Executive Budget included Highway Funds of \$682,404 in fiscal year (FY) 2014 and \$114,829 in FY 2015 to purchase IBM Optim TDM software licenses and the annual subscription and support costs for those software licenses. According to the Department of Motor Vehicles (DMV), the purchase of IBM's Optim TDM software licenses would allow the DMV to archive data that was no longer needed for immediate access. The DMV stated the software would help to avoid refreshing whole databases for testing purposes and help programmers copy problem data when they needed to debug a production problem. The data-masking option software would mask sensitive data such as credit card and social security numbers. The DMV advised that the purchase of the IBM Optim pureQuery and Optim Query Workload Tuner would capture and analyze database queries and help programmers identify and correct potential bottlenecks before production. Decision unit E-720 appeared reasonable to Fiscal Analysis Division staff.

Hearing no response to his request for comments or questions, Senator Parks requested a motion from the Subcommittees.

SENATOR GOICOECHEA MOVED TO APPROVE DECISION UNIT E-720 FOR NEW SOFTWARE AND THE ANNUAL SUBSCRIPTION AND SUPPORT COSTS AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

MOTION CARRIED. (Assemblyman Bobzien was not present for the vote.)

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, described the new cost-allocation decision units Enhancement (E) 799, E-800, E-801, E-802, and E-803. The Governor recommended several new cost allocations from this account [Automation, budget account (BA) 4715] to the Verification of Insurance [BA 4731], Records Search [BA 4711], and the Motor Vehicle Pollution Control [BA 4722] accounts. As Fiscal Analysis Division staff explained in the closing document for the Director's Office budget [BA 4744] at the April 16, 2013, Subcommittees' closing for the Department of Motor Vehicles, there was insufficient rationale to allocate costs

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from the Automation [BA 4715] budget that was funded primarily with Highway Funds to the Verification of Insurance and Records Search budgets, which were fee-funded budgets that reverted excess fee revenue to the Highway Fund. In accordance with the Subcommittees' prior closing actions taken at the April 16, 2013, hearing, Fiscal Analysis Division staff had included adjustments to the closing documents to remove the recommended cost allocations from the Director's Office (BA 4744), Administrative Services (BA 4745), Automation (BA 4715), and Central Services (BA 4741) budget accounts to the Verification of Insurance and Records Search budget accounts.

Ms. Gamroth advised that Fiscal Analysis Division staff recommended, in accordance with the Subcommittees' prior closing actions, the removal of the cost allocations, including decision units E-800, E-801, E-802, and E-803.

Hearing no response to his request for comments or questions, Senator Parks requested a motion from the Subcommittees.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO REMOVE THE  
COST ALLOCATIONS THAT INCLUDED DECISION UNITS E-800,  
E-801, E-802, AND E-803.

SENATOR WOODHOUSE SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, noted there was a cost allocation proposed for the Motor Vehicle Pollution Control account [budget account (BA) 4722] totaling \$190,269 in FY 2014 and \$169,826 in FY 2015 (decision unit E-799). The cost allocation appeared reasonable to Fiscal Analysis Division staff. Excess fee revenue in the Motor Vehicle Pollution Control account was carried forward from year to year and did not revert to the Highway Fund.

Hearing no response to his request for comments or questions, Senator Parks requested a motion from the Subcommittees.

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SENATOR GOICOECHEA MOVED TO APPROVE THE NEW COST ALLOCATION RECOMMENDATION IN DECISION UNIT E-799 FOR THE MOTOR VEHICLE POLLUTION CONTROL ACCOUNT (BA 4722) TOTALING \$190,269 IN FY 2014 AND \$169,826 IN FY 2015.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, pointed out the other closing items for budget account (BA) 4715 were outlined on page 46 of [Exhibit C](#). Fiscal Analysis Division staff had completed technical adjustments for revenue projections in the base budget to reflect the agency's revised revenue projections as of March 31, 2013. Base budget revenues as adjusted appeared reasonable.

Hearing no response to his request for comments or questions, Senator Parks requested a motion from the Subcommittees.

SENATOR WOODHOUSE MOVED TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR WITH THE TECHNICAL ADJUSTMENTS NOTED FOR FEE REVENUES AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR DEPARTMENTAL TRANSFERS AND COST ALLOCATIONS.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

[Assemblyman Bobzien resumed the chair.]

**PUBLIC SAFETY**  
**DEPARTMENT OF MOTOR VEHICLES**  
**CENTRAL SERVICES (201-4741)**  
**BUDGET PAGE DMV-66**

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided an overview of the Central Services budget account (BA) 4741 for the Subcommittees. The major closing items for this budget account included the transfer of the license plate factory expenses to a new self-funded license plate factory account (BA 4712). The Governor recommended creating a separate budget account for all costs related to the manufacturing of license plates and to include several decision units to transfer those costs from the Central Services account (BA 4741) to a new license plate factory account (BA 4712).

In addition, Ms. Gamroth noted the Governor recommended passing the costs for producing license plates on to the customer. The Department of Motor Vehicles (DMV) explained the new fee would be in addition to the 50-cent fee and credited to the fund for Prison Industries currently assessed on each plate sold. By recovering the costs, the license plate factory would become a self-funded program, independent of Highway Funds and the 22 percent cap imposed on the DMV. Changes to statute were required to give the DMV the authority to establish these fees by regulation.

Ms. Gamroth said that Assembly Bill 473 was introduced on March 25, 2013, and referred to the Assembly Committee on Ways and Means. Ms. Gamroth recalled there was a work session held on the transfer of the license plate factory to a self-funded budget account. Transfers to the new license plate factory account as described on page 49 of [Exhibit C](#) included:

- Decision unit Enhancement (E) 900 for the transfer of about \$1.49 million in each fiscal year (FY) of the 2013-2015 biennium for the adjusted base budget cost associated with the license plate factory.
- Decision unit E-901 for the transfer of decision unit Maintenance (M) 101, which included inflation costs for aluminum and sheeting used in the manufacture of license plates.

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- Decision unit E-902 for the transfer of \$2,278 in FY 2014 and \$4,071 for the replacement of a Department vehicle with a motor pool vehicle for the license plate factory.
- Decision unit E-903 to transfer \$544,776 for FY 2014 and \$517,310 for FY 2015 to transfer decision unit E-580. The Governor recommended new and upgraded equipment for the license plate factory in decision unit E-580.
- Decision unit E-904 to transfer four existing employees assigned to the license plate factory.
- Decision unit E-905 to transfer scrap metal revenues in the amount of \$62,354 in both years of the 2013-2015 biennium. The Department had a revenue contract for the sale of scrap metals from the production and surrender of license plates.
- Decision unit E-906, a new decision unit added by budget amendment A130014741, which had been revised by Fiscal Analysis Division staff based on updated revenue projections completed by the DMV as of March 31, 2013, for the 2013-2015 biennium. Decision unit E-906 transferred \$147,497 of fees generated from duplicate and substitute plates for both fiscal years of the 2013-2015 biennium to the new license plate factory budget account to offset expenditures for the production of license plates. The fees recommended in The Executive Budget were to be deposited into this account in decision unit E-226, which was included under major closing item 3 on page 51 of [Exhibit C](#).
- Decision unit E-908 to transfer a new cost allocation for the license plate factory staff for the production of special license plates, based on 9.87 percent of salaries, which was the percentage of the total salaries used each year for specialty plates.

Ms. Gamroth noted that approval of the decision units to transfer the license plate factory expenses to a new self-funded license plate factory budget account, including budget amendment A130014741 with technical adjustments, was contingent on the decision made by the Subcommittees on

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the Governor's recommendation for a new self-supporting license plate factory budget account.

Hearing no response to his request for comments or questions, Chairman Bobzien requested a motion from the Subcommittees.

SENATOR GOICOECHEA MOVED TO APPROVE DECISION UNITS E-900, E-901, E-902, E-903, E-904, E-905, E-906 AND E-908 TO TRANSFER THE LICENSE PLATE FACTORY EXPENSES TO A NEW SELF-FUNDED LICENSE PLATE FACTORY ACCOUNT [BA 4712], INCLUDING BUDGET AMENDMENT A130014741, WITH TECHNICAL ADJUSTMENTS BY FISCAL ANALYSIS DIVISION STAFF FOR THE NEW DECISION UNIT E-906, NOTING THAT THE COSTS FOR THE LICENSE PLATE FACTORY COULD CHANGE IF THE SUBCOMMITTEES ON K-12/HIGHER EDUCATION/CIP DECIDED TO LOCATE THE LICENSE PLATE FACTORY TO A LOCATION OTHER THAN THAT RECOMMENDED BY THE GOVERNOR, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS BASED ON THE FINAL DECISIONS MADE BY THE SUBCOMMITTEES ON PUBLIC SAFETY AND THE SUBCOMMITTEES ON K-12/HIGHER EDUCATION/CIP.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, moved to the next major closing item in decision unit Enhancement (E) 225, mandatory electronic submission of vehicle sales or lease information. The Governor recommended \$57,148 of Highway Funds in fiscal year (FY) 2015 for interface costs and transaction fees for the Department of Motor Vehicles (DMV) to manage the proposed mandate of electronic submission of vehicle sales or lease information from dealers, rebuilders, and long-term lessors. The DMV stated this would provide customers the ability to register a vehicle purchased or leased from a dealer, rebuilder, and long-term lessor through the Internet instead of visiting an office.

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Ms. Gamroth pointed out that Assembly Bill 454 was submitted by the Department of Administration to put this decision unit into effect.

Hearing no response to his request for comments or questions, Chairman Bobzien requested a motion from the Subcommittees.

SENATOR PARKS MOVED TO APPROVE DECISION UNIT E-225 AS RECOMMENDED BY THE GOVERNOR FOR INTERFACE COSTS AND TRANSACTION FEES FOR THE DEPARTMENT OF MOTOR VEHICLES TO MANAGE THE PROPOSED MANDATE OF ELECTRONIC SUBMISSION OF VEHICLE SALES OR LEASE INFORMATION FROM DEALERS, REBUILDERS, AND LONG-TERM LESSORS FUNDED WITH HIGHWAY FUNDS TOTALING \$57,148 IN FY 2015 CONTINGENT ON THE PASSAGE OF A.B. 454.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, provided the Subcommittees with a brief overview of major closing item 3, decision unit Enhancement (E) 226, fees for duplicate or substitute plates, certificates of registration, and decals. In accordance with *Nevada Revised Statutes* 482.500, the Department of Motor Vehicles (DMV) had authority to collect fees for duplicate or substitute certificates of registration, decals, and number plates, as well as replacement plates. Subsection 4 of the statute included language to allow the DMV to use the fees collected to defray the costs of duplicating the plates and manufacturing the decals. The DMV stated the fees were being collected, but were currently deposited directly to the Highway Fund and were reported under registration fees on the DMV's financial statements. By depositing the fees directly to the Central Services budget account (BA) 4741, the total Highway Fund revenues would be reduced, which would also reduce the 22 percent cap for the DMV. The Governor recommended replacing the Highway Fund appropriations in the amount of \$227,946 in each year of the 2013-2015 biennium with the collection of these fees in this budget account.

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In response to a request for additional information from Fiscal Analysis Division staff to the DMV, the following areas were identified by staff that changed the Governor's recommendation for this decision unit:

- The DMV was requested to provide supporting documentation for the \$227,946 projected for FY 2014 and FY 2015.
  - The DMV noted in the response that not all revenues were included in decision unit E-226, and the total revenue should be \$560,883.
- The DMV was asked if the revenue generated to offset the fees was to be used to defray the cost of duplicating plates, why the revenues generated from fees for duplicate and substitute plates would remain in the Central Services budget account instead of transferring to the new license plate factory budget account.
  - The DMV agreed the fees generated from duplicate and substitute plates should be included in a transfer decision unit to the new License Plate Factory budget account.

According to Ms. Gamroth, based on revised revenue projections, Fiscal Analysis Division staff completed a technical adjustment to bring the total revenues to \$551,495 for each fiscal year of the 2013-2015 biennium, of which \$147,491 was from fees generated from duplicate and substitute plates. Fiscal Analysis Division staff included a technical adjustment based on the revised revenue projections. As referenced on page 48 of [Exhibit C](#) under item 1 of "Major Closing Issues," decision unit E-906 was added by Fiscal Analysis Division staff to transfer \$147,497 from fees generated from duplicate and substitute plates to the new license plate factory budget to offset expenditures for the production of license plates. Decision unit E-226, along with budget amendment A130014741, and the technical adjustment recommended by Fiscal Analysis Division staff based on the revised revenue projections completed by the DMV appeared reasonable.

Hearing no response to his request for comments or questions, Chairman Bobzien requested a motion from the Subcommittees.

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SENATOR GOICOECHEA MOVED TO APPROVE DECISION UNIT E-226, WHICH REPLACED HIGHWAY FUND APPROPRIATIONS WITH FEES FOR DUPLICATE OR SUBSTITUTE PLATES, CERTIFICATES OF REGISTRATION, AND DECALS, INCLUDING BUDGET AMENDMENT A130014741 AND THE TECHNICAL ADJUSTMENTS RECOMMENDED BY FISCAL ANALYSIS DIVISION STAFF, BASED ON THE DEPARTMENT'S REVISED REVENUE PROJECTIONS TOTALING \$551,495 FOR EACH FISCAL YEAR OF THE 2013-2015 BIENNIUM.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, mentioned the other closing items on page 52 of [Exhibit C](#). As previously discussed, Fiscal Analysis Division staff had completed technical adjustments to revise fee revenues for Central Services budget account (BA) 4741 based on revised revenue projections.

In decision unit Maintenance (M) 501, The Executive Budget included General Fund appropriations for anticipated postage increases resulting from changes to the National Voter Registration Act of 1993. Ms. Gamroth advised the Subcommittees that this decision unit appeared reasonable to Fiscal Analysis Division staff. Decision unit M-501 was a companion to decision unit M-501 in the Field Services account (BA 4735), which was approved by the Subcommittees at the April 16, 2013, budget closings.

Ms. Gamroth also noted the existing and new cost allocations from the Central Services budget (BA 4741) to the Verification of Insurance budget (BA 4731) and the Records Search budget (BA 4711). In accordance with the Subcommittees' prior closing actions taken at the April 16, 2013, budget hearing, Fiscal Analysis Division staff included adjustments to the closing document to remove the recommended cost allocations included in the base budget. Fiscal Analysis Division staff recommended that in accordance with this action, the cost allocations included in the base budget and in decision unit E-802 of the Verification of Insurance and Records Search budget accounts should be removed.

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The new cost allocation for four license plate factory positions for the production of specialty plates (decision unit E-803) appeared reasonable.

Hearing no response to his request for comments or questions, Chairman Bobzien requested a motion from the Subcommittees.

SENATOR GOICOECHEA MOVED TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR, WITH THE TECHNICAL ADJUSTMENTS NOTED FOR REVENUES, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR DEPARTMENTAL TRANSFERS AND COST ALLOCATIONS.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

## **PUBLIC SAFETY**

### **DEPARTMENT OF MOTOR VEHICLES**

#### **LICENSE PLATE FACTORY (201-4712)**

#### **BUDGET PAGE DMV-78**

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, directed the Subcommittees' attention to page 55 of [Exhibit C](#) for the license plate factory budget account (BA) 4712. The first major item for discussion was the relocation of the license plate factory. The Governor recommended closing the license plate factory located at the Nevada State Prison (NSP) and opening a new facility on the grounds, but outside the fence, of the Northern Nevada Correctional Center (NNCC). The Governor recommended about \$4.4 million in Highway Fund appropriations for a new, prefabricated, metal building for the factory. Since the budget hearing for the Capital Improvement Program (CIP) project, Fiscal Analysis Division staff identified costs that could be eliminated to decrease the total costs of the CIP from about \$4.4 million as recommended in The Executive Budget to \$3,824,612. The costs identified for elimination included furniture, fixtures, and equipment totaling \$307,910, and moving costs totaling \$222,969. The Department of Motor Vehicles (DMV) stated moving costs would not be needed if the Subcommittees approved the new equipment for the license plate factory recommended in decision unit Enhancement (E) 903, which

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transferred \$544,776 in fiscal year (FY) 2014 and \$517,310 in FY 2015 from the DMV Central Services budget (BA 4741) for the new and upgraded equipment for the factory.

Ms. Gamroth requested the Subcommittees turn to item 2 on page 59 of [Exhibit C](#), the transfer of the license plate factory costs from the Central Services budget to a new license plate factory budget account and changing the funding source for the license plate factory costs under decision units E-225, E-500 to E-505, E-900 to E-905, E-506, and E-906.

The Executive Budget recommended a new license plate factory budget account, which included all costs related to the manufacturing of license plates. To execute the recommendation, The Executive Budget included several decision units in the new license plate factory budget that transferred expenditures from the DMV Central Services budget to the new budget account. Ms. Gamroth explained that the decision units in the new budget also accounted for the new funding sources totaling about \$2.7 million in FY 2014 and about \$2.8 million in FY 2015 of which approximately \$1.7 million in FY 2014 and \$1.7 million in FY 2015 was funded from a new license plate fee. The other revenue sources included fees for special plates and scrap metal sales.

According to Ms. Gamroth, budget amendment A130014712 included the transfer fees for the collection of substitute and duplicate plates totaling \$147,497 for each fiscal year of the 2013-2015 biennium. The budget amendment placed the revenues in reserve; however, to be consistent with how the revenue source was treated in the Central Services budget account, Fiscal Analysis Division staff made a technical adjustment and reduced the license plate fee revenues by \$147,497 for each fiscal year of the 2013-2015 biennium instead of placing the revenues in reserve. In addition, Fiscal Analysis Division staff adjusted the Highway Fund appropriation to eliminate a residual \$1, as the new budget for the license plate factory was recommended to be 100 percent self-supporting. Finally, decision units E-508 and E-908 were added by Fiscal Analysis Division staff to include revenues from the Special Plates Trust Account for a new cost allocation for salary and fringe benefit costs for license plate factory employees. The budget amendment and technical adjustments completed by Fiscal Analysis Division staff were included in the closing document ([Exhibit C](#)).

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In lieu of using Highway Fund appropriations to support operations, Ms. Gamroth pointed out the Governor recommended a new fee, which replaced about \$3.4 million of Highway Fund appropriations over the 2013-2015 biennium. The Executive Budget recommended the new license plate fee be set at \$2.50 per license plate or \$5 for a set of license plates. The Department of Motor Vehicles noted the new license plate fee would be in addition to the 50-cent fee currently assessed on each plate sold and credited to the Fund for Prison Industries.

Ms. Gamroth informed the Subcommittees that since the work session on March 29, 2013, Fiscal Analysis Division staff had worked with the DMV to complete an analysis of the recommended license plate fee. With the adjustments previously noted, license plate fees of about \$1.71 million in FY 2014 and about \$1.74 million in FY 2015 were budgeted to support the license plate factory. The number of license plates projected to be issued, excluding special plates, was 943,255 in FY 2014 and 969,288 in FY 2015. Based on the total cost to support the license plate factory and the projected number of license plates issued for the upcoming biennium, the fee needed to recoup 100 percent of the costs was \$1.81 per license plate for FY 2014 and \$1.79 for FY 2015.

The DMV estimate for the per-plate fee was based on all expenses incurred for operating the factory including personnel, inmate labor, utilities, transportation, and material costs. The per-plate fee was based on projected plate issuance, excluding special plates. Customers would continue to have the option of retaining their existing plates, thereby avoiding the proposed per-plate fee.

Ms. Gamroth explained that in addition to the ongoing cost for the license plate factory, the budget account included decision unit E-225 to establish a reserve Highway Fund appropriation of \$500,000. The DMV stated that for the self-funded license plate factory to be successful, the factory must have funding readily available in the beginning of each fiscal year for cash-flow purposes.

The DMV was asked whether it intended to pay back the \$500,000 to the Highway Fund once reserves were sufficient to begin the payback and maintain an adequate cash flow. According to Ms. Gamroth, the DMV advised that it did not intend to repay the Highway Fund. At the March 29, 2013, work session, there was discussion regarding paying back the \$500,000 over a 5- or 10-year period. Additionally, there was discussion regarding the repayment to the

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Highway Fund for the \$3,824,612 CIP project. Ms. Gamroth pointed out there was a chart on page 62 of [Exhibit C](#) showing the projected costs for repaying the Highway Fund over a 10-year period for both the \$500,000 cash-flow appropriation and the \$3,824,612 CIP project. For a 10-year period, the total need would be \$2.27 per plate in FY 2014 and \$2.24 per plate in FY 2015. Repayment to the Highway Fund for a 5-year period would be \$2.73 in FY 2014 and \$2.69 in FY 2015.

Ms. Gamroth reported that the Fiscal Analysis Division staff recommended an additional 30 cents per license plate for any unforeseen needs that might arise, which would generate approximately \$250,000 in revenue per fiscal year. The additional 30 cents recommended by Fiscal Analysis Division staff was based on the fluctuation of the cost of materials to produce license plates in prior fiscal years.

To make the new license plate factory budget a true self-supporting account, Ms. Gamroth noted that Fiscal Analysis Division staff recommended repayment to the Highway Fund of the \$500,000 reserve established for cash-flow purposes and the \$3,824,612 for the new building for the license plate factory. If the Subcommittees approved Fiscal Analysis Division staff's recommendation to reimburse the Highway Fund for the \$500,000 reserve for cash flow and \$3,824,612 for the new building on a 10-year repayment plan, Fiscal staff would recommend a \$2.50 per-plate fee, as recommended by the Governor.

Ms. Gamroth further explained the \$2.50 per-plate fee would generate \$2,358,138 in FY 2014 and \$2,423,220 in FY 2015. Total expenditures recommended in The Executive Budget to be funded with the license plate fee revenue totaled \$1,709,368 in FY 2014 and \$1,738,396 in FY 2015. After the annual repayment in each fiscal year of the 2013-2015 biennium, excess license plate fee revenues for contingencies would total \$216,309 in FY 2014 and \$252,363 in FY 2015.

Ms. Gamroth suggested the Subcommittees consider the following options:

1. Keep the four positions and associated costs of the license plate factory in the DMV Central Services budget and continue to fund the license plate factory with Highway Funds totaling about \$1.9 million for each fiscal year of the 2013-2015 biennium.

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2. Approve the Governor's recommendation to create a new self-supporting enterprise budget account for the license plate factory, and charge a \$2.25 fee per license plate (not the \$2.50 per license plate recommended by the Governor), including budget amendment A130014712 for the fees collected for substitute and duplicate plates and the technical adjustments completed by Fiscal Analysis Division staff. This scenario would not provide for the repayment of the \$500,000 to the Highway Fund for cash-flow purposes or the \$3,824,612 for the CIP project.
3. Approve the Governor's recommendation to create a new self-supporting budget account for the license plate factory, but increase the fee per license plate to pay back the Highway Fund for the \$500,000 included in decision unit E-225 to establish a reserve for cash-flow purposes and \$3,824,612 of Highway Fund appropriations for the recommended new building, including budget amendment A130014712 for the fees collected for substitute and duplicate plates and the technical adjustments completed by Fiscal Analysis Division staff. If the Subcommittees decided on this option, they must also decide whether the repayment would be over a 5-year period or a 10-year period. Fiscal Analysis Division staff recommended a 10-year payback. A 10-year payback allowed the DMV more flexibility, and the license plate fee would remain at \$2.50 per license plate as recommended by the Governor.

Ms. Gamroth pointed out that if the Subcommittees approved option 3, Fiscal Analysis Division staff requested authority to make adjustments to increase the license plate fee revenue and establish a category to set up authority to repay the Highway Fund a prorated amount depending on the number of years the Subcommittees approved for the repayment.

Depending on the actions of the Subcommittees on K-12/Higher Education/CIP regarding the Governor's recommendation for a new building located outside the fence of Northern Nevada Correctional Center, additional costs might need to be added to the license plate factory budget. Fiscal Analysis Division staff requested authority to make adjustments to both the license plate fee revenue and costs for the license plate factory if the Subcommittees on K-12/Higher Education/CIP decided to move the license plate factory to another location, such as the Southern Desert Correctional Center's Sprung building.

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Additional costs could include moving expenses, upgrades to an existing building, offsite storage, a new vehicle to transport license plates, and additional in-state travel costs.

Hearing no response to his request for comments or questions, Chairman Bobzien requested a motion.

SENATOR GOICOECHEA MOVED TO APPROVE OPTION 3 WITH A 10-YEAR REPAYMENT PLAN, CONTINGENT ON THE ACTIONS OF THE SUBCOMMITTEES ON K-12/HIGHER EDUCATION/CIP AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

Senator Parks supported option 3 but believed the 5-year repayment plan would be a better choice.

Assemblywoman Kirkpatrick commented that she agreed with Senator Parks. She preferred to have a short-term loan so the license plate fee could be reduced subsequent to the repayment.

Senator Goicoechea stated he was attempting to avoid any conflict with the Governor's recommendation of the \$2.50 license plate fee.

Assemblywoman Kirkpatrick thought the Highway Fund money should be used elsewhere, but she would discuss the matter with Senator Goicoechea at a later date.

SENATOR GOICOECHEA WITHDREW THE MOTION.

Chairman Bobzien requested another motion.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE OPTION 3 WITH A 5-YEAR PAYBACK PLAN WITH A LICENSE PLATE FEE OF \$3.00 CONTINGENT ON THE ACTIONS OF THE SUBCOMMITTEES ON K-12/HIGHER EDUCATION/CIP AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

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SENATOR PARKS SECONDED THE MOTION.

Senator Goicoechea confirmed with Assemblywoman Kirkpatrick the terms would be discussed prior to a vote by the Assembly Committee on Ways and Means.

MOTION CARRIED UNANIMOUSLY.

**PUBLIC SAFETY**

**DEPARTMENT OF MOTOR VEHICLES**

**MOTOR CARRIER (201-4717)**

**BUDGET PAGE DMV-106**

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, noted there was one major closing item for the Motor Carrier budget account (BA) 4717. The Governor recommended a new fee for the administration of the International Fuel Tax Agreement (IFTA) decal program. The fee was projected to generate \$44,556 in fiscal year (FY) 2014 and \$45,312 in FY 2015, which would offset administrative and production costs. The increased revenues would result in a corresponding offset to Highway Funds. The decals must be reissued each calendar year. The revenue projections were based on 7,426 IFTA decal sets issued in FY 2014 and 7,552 decal sets issued in FY 2015 at a cost of \$6 per decal set.

Ms. Gamroth explained that decision unit Enhancement (E) 235 was contingent on the passage of Assembly Bill 464 to allow the Department of Motor Vehicles (DMV) to establish a fee for an identifying device (the IFTA decal) for special fuel users in a motor vehicle that was operated or intended to operate interstate, in an amount not to exceed the estimated administrative costs of issuing the device. If the DMV established the fee and issued such a device to a special fuel user, the DMV would charge and collect the fee from the special fuel user. Assembly Bill 464 was heard by the Assembly Committee on Ways and Means on April 10, 2013, and no action was taken. This decision unit appeared reasonable to Fiscal Analysis Division staff.

There being no response to his request for questions or comments, Chairman Bobzien requested a motion.

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SENATOR PARKS MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E-235 FOR A NEW FEE FOR THE IFTA DECAL PROGRAM, WHICH WAS PROJECTED TO GENERATE \$44,556 IN FY 2014 AND \$45,312 IN FY 2015, CONTINGENT ON APPROVAL OF ASSEMBLY BILL 464, AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

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

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, noted that under the other closing items, decision unit Enhancement (E) 225 was the redirection of governmental services tax (GST) commissions and penalties in fiscal year (FY) 2015. The Governor recommended the redirection of \$915,343 in GST commissions in the Motor Carrier budget account (BA) 4717 in FY 2015 to the General Fund, offset by an increase in Highway Fund authorization. Fiscal Analysis Division staff included an increase in the amount of \$33,154 for each fiscal year of the biennium based on updated revenue projections provided by the Department of Motor Vehicles (DMV).

Ms. Gamroth said that Fiscal Analysis Division staff recommended the Subcommittees defer making a decision on whether to redirect GST commissions and penalties in the amount of approximately \$24 million for both the Field Services and the Motor Carrier budgets until the money committees decided on the policy and took final action on Assembly Bill 491. The Subcommittees took similar action on this item in closing the Field Services budget. Fiscal Analysis Division staff requested authority to adjust this decision unit based on the final decision of the Subcommittees.

Other closing items discussed by Ms. Gamroth included the reclassification of a supervising auditor 2 to an unclassified deputy administrator in decision unit E-813. Decisions regarding moving existing positions from the classified service to the unclassified service and changes to the salary levels for unclassified positions would be made by the full money committees.

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Fiscal Analysis Division staff requested authority to make technical adjustments based on final decisions made by the money committees.

Chairman Bobzien requested comments or questions from the Subcommittees. Hearing no response, Chairman Bobzien called for a motion.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE:

- OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR, WITH TECHNICAL ADJUSTMENTS FOR REVENUES,
- ADJUSTMENTS TO THE SALARY LEVELS FOR UNCLASSIFIED POSITIONS AND/OR MOVEMENT OF POSITIONS FROM THE CLASSIFIED SERVICE TO THE UNCLASSIFIED SERVICE, BASED UPON FINAL APPROVAL BY THE MONEY COMMITTEES, AND
- AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR PARKS SECONDED THE MOTION.

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

## **PUBLIC SAFETY**

### **DEPARTMENT OF PUBLIC SAFETY**

#### **PAROLE AND PROBATION (101-3740)**

#### **BUDGET PAGE PUBLIC SAFETY-79**

Kristen Kolbe, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented an overview of budget account (BA) 3740. There were three major closing concerns in this budget account. The first major item was the transfer of parole functions in decision units Enhancement (E) 900, E-225, and E-227. The transfer of the parole function from the Division of Parole and Probation (P&P) to a new budget account included 71 sworn and 34 civilian positions. The transfer of the positions and operating costs should be consistent with the Subcommittees' closing actions for the Nevada Department

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of Corrections (NDOC) parole services account. Fiscal Analysis Division staff requested the authority to adjust decision units E-900, E-225, and E-227 based on those closing actions.

There being no comments or questions, Chairman Bobzien requested a motion.

ASSEMBLYMAN SPRINKLE MOVED TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO ADJUST DECISION UNITS E-900, E-225, AND E-227 BASED ON THE CLOSING ACTIONS FOR THE DEPARTMENT OF CORRECTIONS PAROLE SERVICES ACCOUNT.

SENATOR PARKS SECONDED THE MOTION.

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

Kristen Kolbe, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, moved to the second major closing item for budget account (BA) 3740, the staffing and caseload projections under decision units Maintenance (M) 200, M-201, and M-202. Decision unit M-200 related to sworn positions, while M-201 and M-202 related to nonsworn positions. On page 74 of [Exhibit C](#), a table depicted the caseload projections as provided by the JFA Associates. The Division of Parole and Probation (P&P) stated it continued the legislatively approved supervision ratios (shown on page 74 of [Exhibit C](#)).

As a result of the updated JFA Associates projections, decision unit M-200 was adjusted through budget amendment A130A0112 to reflect transfers of seven Department of Public Safety (DPS) officer 2 positions from the southern command to the Carson City, Reno, and Elko areas. Additionally, three vacant DPS officer 2 positions would be eliminated.

Continuing, Ms. Kolbe said that under decision units M-201 and M-202, using revised JFA Associates projections and including the budget amendment, the Governor recommended net reduction of 11 parole and probation specialist 3 positions. However, in decision unit M-202, there was a recommendation to add 8 positions, 7 of which were parole and probation specialist positions. The remaining position request was for an administrative assistant.

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Ms. Kolbe explained that the net effect of M-201 and M-202 would be a reduction of three positions. The incumbents affected by the change would be transferred to the lower grades. However, chapter 284 of the *Nevada Administrative Code* (NAC) required an employee who transferred or was demoted to a lower grade be placed at the corresponding pay step to retain the current rate of pay.

Hearing no response to his call for comments or questions, Chairman Bobzien requested a motion.

SENATOR WOODHOUSE MOVED TO APPROVE THE STAFFING AND CASELOAD PROJECTIONS AS RECOMMENDED BY THE GOVERNOR AND AS ADJUSTED BY BUDGET AMENDMENT A130A0112, WHICH INCLUDED:

- TRANSFER OF SEVEN DPS OFFICER 2 POSITIONS,
- REDUCTION OF THREE DPS OFFICER 2 POSITIONS,
- A NET REDUCTION OF TEN PAROLE AND PROBATION SPECIALIST 3 POSITIONS, AND
- ADDITION OF FOUR PAROLE AND PROBATION SPECIALIST 2 POSITIONS, TWO PAROLE AND PROBATION SPECIALIST 1 POSITIONS, AND AN ADMINISTRATIVE ASSISTANT 1 POSITION.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

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

Kristen Kolbe, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, noted the third major closing item in BA 3740 dealt with administrative banks. On page 76 of [Exhibit C](#), the table compared the second and third quarters of fiscal year (FY) 2013. Ms. Kolbe pointed out the decrease in the number of offenders assigned to the administrative banks.

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According to Parole and Probation (P&P), the Department of Public Safety (DPS) officers who managed the administrative banks were unable to manage a regular caseload. However, Ms. Kolbe explained, P&P staff pointed out that new DPS officers or those on light duty might be assigned administrative bank caseloads in an effort to maximize staffing resources. The 2011 Legislature approved 44 new sworn positions to be phased in over the current biennium to assist in reducing the use of administrative banks. The final ten positions were anticipated to begin June 2013.

According to Ms. Kolbe, P&P staff advised that 14 officers were scheduled to graduate from the DPS training academy in June 2013. Additionally, conditional offers had been made or other vacant officer positions had been filled, leaving three officer positions vacant as of May 1, 2013.

Ms. Kolbe recalled the 2011 Legislature issued a Letter of Intent requiring P&P to report data regarding the use of administrative banks to the Interim Finance Committee (IFC) quarterly during the 2011-2013 biennium, and P&P had complied with the Letter of Intent. Fiscal Analysis Division staff noted the continued monitoring of the use of administrative banks over the 2013-2015 biennium appeared reasonable.

Hearing no response to his call for comments or questions, Chairman Bobzien requested a motion.

SENATOR PARKS MOVED TO REISSUE A LETTER OF INTENT REQUIRING THE DIVISION OF PAROLE AND PROBATION OF THE DEPARTMENT OF PUBLIC SAFETY TO CONTINUE REPORTING TO THE INTERIM FINANCE COMMITTEE ON A QUARTERLY BASIS OVER THE 2013-2015 BIENNIUM REGARDING THE USE OF ADMINISTRATIVE BANKS, INCLUDING THE NUMBER OF OFFENDERS AND TYPE OF OFFENDERS SUPERVISED.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

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

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Kristen Kolbe, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, addressed the other closing items on page 77 of [Exhibit C](#). Under decision unit Enhancement (E) 247, the transfer of the information technology (IT) functions to the Division of Enterprise Information Technology Services (EITS) was approved by the Subcommittees on General Government during the Department of Administration's EITS budget closing on May 1, 2013.

Ms. Kolbe pointed out that decision unit E-805 recommended reclassification of two classified Department of Public Safety (DPS) positions with the rank of major to unclassified service. Fiscal Analysis Division staff requested authority to make technical adjustments based on final decisions regarding the unclassified salary changes by the money committees.

Hearing no response to his call for comments or questions, Chairman Bobzien requested a motion.

SENATOR GOICOECHEA MOVED TO APPROVE OTHER CLOSING ITEMS AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY ADJUSTMENTS BASED ON THE CLOSING ACTIONS OF THE DEPARTMENT OF ADMINISTRATION'S EITS CONSOLIDATION ACCOUNT AND THE DEPARTMENT OF PUBLIC SAFETY GENERAL SERVICES ACCOUNT, INCLUDING ADJUSTMENTS TO DEPARTMENTAL COST ALLOCATIONS.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

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Hearing no response to his request for public comment, Chairman Bobzien adjourned the hearing at 10:47 a.m.

RESPECTFULLY SUBMITTED:

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Linda Blevins  
Committee Secretary

APPROVED BY:

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Assemblyman David P. Bobzien, Chairman

DATE: \_\_\_\_\_

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Senator Pete Goicoechea, Chair

DATE: \_\_\_\_\_

**EXHIBITS**

**Committee Name:** Committee on Ways and Means

**Date:** May 15, 2013

**Time of Meeting:** 8:20 a.m.

| <b>Bill</b> | <b>Exhibit</b> | <b>Witness / Agency</b>   | <b>Description</b>                           |
|-------------|----------------|---|--|
|             | A              |   | Agenda                                       |
|             | B              |   | Attendance Roster                            |
|             | C              | Wayne Thorley, Program Analyst<br>Sarah Coffman, Senior Program Analyst<br>Jennifer Gamroth, Program Analyst<br>Kristen Kolbe, Program Analyst<br>Fiscal Analysis Division, Legislative<br>Counsel Bureau | <u>Executive Budget</u> Closing<br>Documents |