

**MINUTES OF THE
JOINT SUBCOMMITTEE ON PUBLIC SAFETY, MILITARY AND VETERANS'
SERVICES
OF THE SENATE COMMITTEE ON FINANCE
AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Seventh Session
April 30, 2013**

The Joint Subcommittee on Public Safety, Military and Veterans' Services of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair David R. Parks at 8:06 a.m. on Tuesday, April 30, 2013, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

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

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Mike Chapman, Senior Program Analyst
Joi Davis, Senior Program Analyst
Catherine Crocket, Program Analyst
Jennifer Gamroth, Program Analyst
Leslie Sexton, Committee Secretary

Chair Parks:

We will begin with the budget accounts (B/A) for the Department of Motor Vehicles (DMV).

PUBLIC SAFETY

MOTOR VEHICLES

DMV - Motor Vehicle Pollution Control — Budget Page DMV-57 (Volume III) Budget Account 101-4722

Jennifer Gamroth (Program Analyst):

There is one major closing item in this budget account shown on page 3 of Closing List #5 ([Exhibit C](#)). The Governor recommends reductions to reserves totaling \$55,679 in fiscal year (FY) 2013-2014 and \$51,505 in FY 2014-2015 to lease a separate building for testing vehicle emission analyzers in Carson City. Costs include building rent, equipment, operating and contract services for an alarm system and wiring of the building.

E-351 Safe and Livable Communities — Page DMV-59

The Department indicates the environmental scientist is responsible for certifying equipment from out-of-state that will be used for testing vehicle emissions. As additional manufacturers come into the Nevada program, the Department will need to ensure that their equipment meets standards and that it communicates with the Department's Vehicle Information Database (VID). The Department indicates that the building will need to be equipped with digital subscriber lines for the analyzers to be tested and an air compressor and gas bottles for the analyzers. It will need enough room to house two existing employees, the trainer/environmental scientist and a programmer, including desks and computers.

At the February 27 budget hearing, the Department was asked what business operations have changed that require a separate building for the independent testing of analyzers. The Department indicates that it took over the testing of software in recent years by eliminating the need for outside services paid by emission stations, and moving the design and maintenance of the emission control testing and reporting system in-house. When this occurred, the testing responsibility fell upon the Department's emission control technicians. This change in operations created problems for the emission lab because technicians are unable to focus on and perform their basic job duties.

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The Department has indicated that there is not enough space at the Reno lab for additional equipment to be used exclusively by the environmental scientist. The equipment is provided on loan by the contract manufacturer.

SENATOR GOICOECHEA MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E-351 OF BUDGET ACCOUNT 101-4722 TO LEASE A SEPARATE BUILDING FOR TESTING VEHICLE EMISSION ANALYZERS IN CARSON CITY, WHICH INCLUDES BUILDING RENT, EQUIPMENT, OPERATING AND CONTRACT SERVICES FOR AN ALARM SYSTEM AND WIRING OF THE BUILDING.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Gamroth:

There are five other closing items in this budget account. I will highlight three of them. Since the hearing on the Department's budget, they have provided Fiscal Division Staff with updated revenue projections for pollution control fees in the Base Budget as of March 31. Fiscal Staff has included technical adjustments to reflect those revised projections.

Under Other Closing Item No. 2, the Governor recommended reductions to reserves totaling \$66,909 in FY 2013-2014 and \$69,192 in FY 2014-2015 to replace office furniture and office equipment, computer hardware and software, various tools and the replacement of four Agency-owned vehicles in FY 2013-2014 and eight Agency-owned vehicles in FY 2014-2015 with vehicles leased from the State Motor Pool. The Budget Division submitted Budget Amendment No. A130024722, which included a minor mileage adjustment for Motor Pool vehicles.

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E-710 Equipment Replacement — Page DMV-60

E-711 Equipment Replacement — Page DMV-61

E-712 Equipment Replacement — Page DMV-61

E-715 Equipment Replacement — Page DMV-62

E-716 Equipment Replacement — Page DMV-62

Under Other Closing Item No. 4, the Governor recommends moving the cost allocation for the Nevada Highway Patrol (NHP) dispatch services from the NHP budget to the Department of Public Safety's (DPS) new General Services B/A 101-4702. This adjustment nets an increase of \$179 in FY 2013-2014 and \$176 in FY 2014-2015, which would be funded with reductions to reserve.

DPS - Highway Patrol — Budget Page PUBLIC SAFETY-47 (Volume III)
Budget Account 201-4713

E-803 Cost Allocation — Page PUBLIC SAFETY-55

DPS - General Services — Budget Page PUBLIC SAFETY-158 (Volume III)
Budget Account 101-4702

E-802 Cost Allocation — Page DMV-63

E-803 Cost Allocation — Page DMV-63

Under Other Closing Item No. 5, the Executive Budget includes a reduction to reserves of \$102,491 in FY 2013-2014 and \$116,032 in FY 2014-2015 for one additional dedicated VID programmer.

This closing item is dependent upon the approval of decision unit E-804 in the DMV Automation budget account 201-4715 by the money committees.

DMV - Automation — Budget Page DMV-32 (Volume III)
Budget Account 201-4715

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E-804 Cost Allocation — Page DMV-64

DMV - Automation — Budget Page DMV-32 (Volume III)
Budget Account 201-4715

E-804 Cost Allocation — Page DMV-39

SENATOR GOICOECHEA MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATIONS IN B/A 101-4722 AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR REVENUES, DEPARTMENTAL TRANSFERS AND COST ALLOCATIONS.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED.

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Chair Parks:

We will move to B/A 201-4731.

DMV - Verification of Insurance — Budget Page DMV-84 (Volume III)
Budget Account 201-4731

Ms. Gamroth:

There are no major closing items in this budget account. Under Other Closing Item No. 1, the Executive Budget includes a reduction to Highway Fund reversions of \$344,497 in FY 2013-2014 and \$349,359 in FY 2014-2015 for new cost allocations to this budget account from the Automation, Administrative Services and Director's Office budgets.

DMV - Administrative Services — Budget Page DMV-42 (Volume III)
Budget Account 201-4745

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E-803 Cost Allocation — Page DMV-48

DMV - Director's Office — Budget Page DMV-17 (Volume III)
Budget Account 201-4744

E-803 Cost Allocation — Page DMV-23

In addition, the Base Budget includes an existing cost allocation from the Central Services budget account for staff time totaling \$42,481 in FY 2013-2014 and \$43,668 in FY 2014-2015. The Department indicates the new cost allocations will create consistency among the Department's fee-funded budgets.

DMV - Central Services — Budget Page DMV-66 (Volume III)
Budget Account 201-4741

Fiscal Staff's concerns regarding the rationale for the recommended new and existing cost allocations to this budget account were explained in the closing document for the Director's Office budget account discussed at the April 16 Subcommittee closing for the DMV. As discussed, there is insufficient rationale to cost allocate from budget accounts that are primarily funded with Highway Funds to fee-funded budgets that revert excess fee revenues to the Highway Fund, or divert the need for an allocation from the Highway Fund. Cost allocating to the Verification of Insurance budget simply reduces the amount of excess revenues reverted to the Highway Fund. The net effect negates the purpose of the recommended new and existing allocations.

In accordance with the Subcommittee's prior closing actions taken at the April 16 hearing, Fiscal Staff has included adjustments to the closing documents to remove the recommended cost allocations from the Director's Office, Administrative Services, Automation, and Central Services budget accounts to the Verification of Insurance and Records Search budget accounts.

DMV - Records Search — Budget Page DMV-89 (Volume III)
Budget Account 201-4711

E-800 Cost Allocation — Page DMV-86

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E-802 Cost Allocation — Page DMV-87

The Department provided a revised revenue projection for insurance violations fees, fines and penalties as of March 31. Fiscal Staff has completed the resulting technical adjustments. These adjustments are reflected in the closing adjustments for this budget account.

ASSEMBLYMAN BOBZIEN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATIONS FOR B/A 201-473; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR DEPARTMENTAL TRANSFERS AND COST ALLOCATIONS.

SENATOR WOODHOUSE SECONDED THE MOTION.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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

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Chair Parks:

We will move to a discussion of B/A 201-4711.

DMV - Records Search — Budget Page DMV-89 (Volume III)
Budget Account 201-4711

Ms. Gamroth:

There are no major closing issues for this budget account.

Under Other Closing Item No. 1, the Executive Budget includes \$236,009 in FY 2013-2014 and \$239,481 in FY 2014-2015 for two new cost allocations to this budget account from the Administrative Services, the Director's Office and the Automation budgets. These new cost allocations decrease the 50/50 transfer to the Central Services and the Automation budgets, which results in the need to increase Highway Fund appropriations in those accounts.

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In accordance with the Subcommittee's prior actions taken at the April 16 hearing, Fiscal Staff has included adjustments to the closing documents to remove the recommended cost allocations from the Director's Office, Administrative Services, Automation, and Central Services budget accounts to the Verification of Insurance and Records Search budget accounts.

E-800 Cost Allocation — Page DMV-92

E-801 Cost Allocation — Page DMV-93

E-802 Cost Allocation — Page DMV-93

Fiscal Staff has completed technical adjustments to reflect the Department's revised revenue projections as of March 31. These adjustments are reflected in the closing adjustments for this budget account.

SENATOR WOODHOUSE MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATIONS FOR B/A 201-4711 WITH TECHNICAL ADJUSTMENTS MADE BY FISCAL STAFF FOR REVENUES AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR DEPARTMENTAL TRANSFERS AND COST ALLOCATIONS.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Chair Parks:

We will now consider budgets in the DPS. We will begin with B/A 201-4706.

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PUBLIC SAFETY

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DPS - Director's Office — Budget Page PUBLIC SAFETY-10 (Volume III)
Budget Account 201-4706

Joi Davis (Senior Program Analyst):

There are two major closing issues in B/A 201-4706.

Under Major Closing Item No. 1, the Governor recommends funding through cost allocation reimbursements totaling \$140,547 over the 2013-2015 biennium to increase three part-time administrative assistant III positions to full-time for the DPS background unit. The Agency indicates that the recommendation would assist the DPS in focusing its resources on recruitment, hiring and retention. The part-time administrative assistant III positions currently perform background checks on prospective public safety employees, for both sworn and nonsworn positions. According to the Agency, as of February, 94 background investigations are awaiting completion for sworn positions, which could take up to 180 working days for three part-time positions to finalize. The Agency further indicates that contract services have been utilized in order to complete background investigations in a more timely manner. According to the State's financial system, the Agency spent \$82,367 in contract services for employee background checks in FY 2011-2012.

E-248 Efficient and Responsive State Government — Page PUBLIC SAFETY-12

In follow-up information provided after the February 15 budget hearing, the Department indicated that if this recommendation is approved, the use of contract services would still be required to assist with background investigations on sworn positions. The Agency further explained that the administrative positions within the background unit work on both sworn and nonsworn position background checks. However, contract services are only used to perform background checks on sworn positions and, based on the Department's goal to retain at least two 50-cadet training academies over the 2013-2015 biennium, both in-house and contract services would be necessary.

SENATOR GOICOECHEA MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE \$140,547 IN COST ALLOCATION REIMBURSEMENTS OVER THE 2013-2015 BIENNIUM AS RECOMMENDED BY THE GOVERNOR TO INCREASE THREE PART-TIME ADMINISTRATIVE

ASSISTANT III POSITIONS TO FULL-TIME FOR THE DPS BACKGROUND UNIT.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Davis:

Under Major Closing Item No. 2, in conjunction with the recommendation to increase three administrative assistant III positions from part-time to full-time as mentioned previously, the Executive Budget recommends the elimination of an auditor III position, which reduces cost allocation reimbursements of \$139,749 over the 2013-2015 biennium. According to the Department, DPS staff would absorb the duties currently performed by the auditor III position and some functions would be transferred to the Department of Administration's Division of Internal Audits, as needed. The Agency testified at the February 15 budget hearing that the Division of Internal Audits has been apprised of the recommendation and has indicated its availability to DPS as needed. The Agency reiterated during testimony that while auditing functions are important, the priorities for the Department's resources at this time are recruitment, hiring, and retention.

The Executive Budget includes \$43,107 for the incumbent's Public Employees' Retirement System (PERS) buyout pursuant to *Nevada Revised Statutes* (NRS) 286.3007. However, on April 5, the Budget Division submitted Budget Amendment No. A130024706, which eliminates the \$43,107 PERS buyout since the incumbent has left the DPS and accepted a position within another Executive Branch agency. Accordingly, this closing document reflects the elimination of the PERS buyout of \$43,107 in FY 2013-2014.

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Assemblyman Grady:

I see no reason to eliminate an auditor position. If the remaining staff will be performing the auditing function, they will be auditing themselves. The audit function should be a separate function. I question the reason for this elimination.

Ms. Davis:

The auditor performed internal controls. The Director may indicate that they want the auditor to review their inventories and their travel expenses. The Department has indicated they would like to expend their resources on the background checks. The audit function is not a lesser priority. The inventory and travel audit duties of the Director can be performed by existing administrative and fiscal staff.

Chair Parks:

The auditor position would be absorbed by the DPS fiscal staff and the Division of Internal Audits.

Assemblyman Grady:

I have no further questions. I will be voting against the motion.

SENATOR WOODHOUSE MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE ELIMINATION OF AN AUDITOR III POSITION AS RECOMMENDED BY THE GOVERNOR AND AS ADJUSTED FOR THE PERS BUYOUT.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

ASSEMBLY: THE MOTION FAILED. (ASSEMBLYWOMAN KIRKPATRICK AND ASSEMBLYMEN GRADY AND HAMBRICK VOTED NO.)

SENATE: THE MOTION CARRIED.

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Ms. Davis:

There are other closing items for B/A 201-4706.

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E-225 Efficient and Responsive State Government — Page PUBLIC SAFETY-11

E-247 Efficient and Responsive State Government — Page PUBLIC SAFETY-12

E-710 Equipment Replacement — Page PUBLIC SAFETY-14

E-750 Budget Restorations — Page PUBLIC SAFETY-15

E-900 Trans from Directors Office to Highway Safety Plan — Page PUBLIC SAFETY-15

E-500 Adjustments to Transfers — Page PUBLIC SAFETY-13

E-924 Transfer from DPS Technology to Directors Office — Page PUBLIC SAFETY-15

Under Other Closing Item No. 2, the Governor recommends transferring departmental information technology (IT) functions from the Director's Office, decision unit E-247, to the Department of Administration's Enterprise Information Technology Services Division (EITS) as part of the first phase of the Governor's effort to consolidate IT services within EITS. The Joint Subcommittee on General Government will determine the decision regarding the transfer of DPS IT functions when they close the EITS budgets.

FINANCE AND ADMINISTRATION

ADMINISTRATION

Administration - IT - Info Tech Consolidation DPS — Budget Page ADMIN-130
(Volume I)

Budget Account 721-1405

Under Other Closing Item No. 5, the Governor recommends a decrease in cost allocation reimbursements totaling \$163,943 over the 2013-2015 biennium to transfer a grants and projects analyst position from the Director's Office to the Highway Safety Plan and Administration account, where the position would be supported by Highway Funds and federal grant funds. The recommendation would

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align the duties of the position with the funding supporting the position. On April 17, this Subcommittee approved the transfer of the grants and projects analyst to the Director's Office when the Highway Safety Plan and Administration budget account, B/A 101-4688, was closed.

DPS - Highway Safety Plan & Admin — Budget Page PUBLIC SAFETY-229
(Volume III)
Budget Account 101-4688

M-800 Cost Allocation — Page PUBLIC SAFETY-231

SENATOR GOICOECHEA MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATIONS IN DECISION UNITS E-225, E-247, E-710, E-750, E-900, E-500 AND E-924 OF B/A 201-4706 AND TO AUTHORIZE FISCAL STAFF TO MAKE ADJUSTMENTS TO THIS ACCOUNT BASED ON THE CLOSING ACTION OF THE DEPARTMENT OF ADMINISTRATION'S EITS CONSOLIDATION ACCOUNT, INCLUDING ADJUSTMENTS TO DEPARTMENTAL COST ALLOCATIONS, AND OTHER TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY IN THIS ACCOUNT.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Chair Parks:

We will now consider the budget for the Office of Professional Responsibility.

DPS - Office of Prof Responsibility — Budget Page PUBLIC SAFETY-17 (Volume III)
Budget Account 201-4707

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Ms. Davis:

There are no major closing issues for this budget account. Other closing items are reasonable.

E-225 Efficient and Responsive State Government — Page PUBLIC SAFETY-18

E-247 Efficient and Responsive State Government — Page PUBLIC SAFETY-19

E-710 Equipment Replacement — Page PUBLIC SAFETY-20

ASSEMBLYMAN BOBZIEN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATIONS IN B/A 201-4707 AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Chair Parks:

We will now consider B/A 101-3775.

DPS - Training Division — Budget Page PUBLIC SAFETY-26 (Volume III)
Budget Account 101-3775

Ms. Davis:

The major closing issue in this budget account is the change in funding split for academies. The Governor recommends a 20 percent General Fund and 80 percent Highway Fund split in consideration of the trainees participating in academies. The Fiscal Staff found the funding split for the 2013-2015 biennium is 25 percent General Fund and 75 percent Highway Fund. Adjusting the funding split would result in an increase of approximately \$60,000 in the General Fund in each year of the 2013-2015 biennium, and a decrease to the Highway Fund of the same

amount. To ensure that the funding split is accurately reflected and to provide consistency in future biennia, Fiscal Staff, the DPS and the Budget Division have agreed that the Department's budget request will include statistical data for each of the past eight academies. This will cover approximately 5 fiscal years. This will be used to determine the funding split recommended in the Executive Budget, commencing with the 2015-2017 biennial budget.

SENATOR WOODHOUSE MOVED TO RECOMMEND TO THE FULL COMMITTEES TO ADJUST THE FUNDING SPLIT FROM 20 PERCENT GENERAL FUND/80 PERCENT HIGHWAY FUND, TO 25 PERCENT GENERAL FUND/75 PERCENT HIGHWAY FUND, RESULTING IN AN APPROXIMATE INCREASE IN GENERAL FUNDS OF \$120,000 AND A DECREASE IN HIGHWAY FUNDS OF \$120,000 OVER THE 2013-2015 BIENNIUM.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Davis:

There are five other closing items in B/A 101-3775.

M-425 Deferred Facilities Maintenance — Page PUBLIC SAFETY-28

E-247 Efficient and Responsive State Government — Page PUBLIC SAFETY-29

E-500 Adjustments to Transfers — Page PUBLIC SAFETY-29

E-922 Transfer from DPS Technology to Training Division — Page PUBLIC SAFETY-33

E-710 Equipment Replacement — Page PUBLIC SAFETY-31

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On March 14, the Budget Division submitted Budget Amendment No. A130013775 which, among other things, eliminates the antivirus software specific to this budget account. On April 18, the Interim Finance Committee (IFC) approved the Administration's request to transition to an enterprise antivirus software solution.

ASSEMBLYMAN HAMBRICK MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-3775 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Chair Parks:

We will now consider B/A 201-4701.

DPS - Evidence Vault — Budget Page PUBLIC SAFETY-35 (Volume III)
Budget Account 201-4701

Ms. Davis:

There are no major closing issues in this budget account. This budget account was not previously heard. Fiscal Staff has recommended closing.

SENATOR GOICOECHEA MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE RECOMMENDATIONS OF THE GOVERNOR IN B/A 201-4701 AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Chair Parks:

We will now consider B/A 710-4727.

DPS - Capitol Police — Budget Page PUBLIC SAFETY-212 (Volume III)
Budget Account 710-4727

Ms. Davis:

The major closing issue for this account is Budget Amendment No. A13A0019. The Executive Budget includes General Fund appropriations of \$431,239 over the 2013-2015 biennium to support the Supreme Court's request for 2.5 positions and operating expenditures to complete a dedicated security unit for the Supreme Court building in Carson City. In response to the Supreme Court's request, the Budget Division submitted Budget Amendment No. A13A0019 on March 22 to eliminate the two officer positions from the Capitol Police budget who are currently assigned to the Supreme Court building. The amendment would reduce the transfer from Department of Administration's Buildings and Grounds Division (B&G) by \$149,064 in FY 2013-2014 and \$184,633 in FY 2014-2015.

The budget amendment includes \$28,745 for terminal leave pay-out costs of the two officer positions in FY 2013-2014. However, on April 23 the Department advised, and the Budget Division concurred, that the \$28,745 for potential terminal leave pay-out costs is no longer needed because, upon elimination of the positions, both of the incumbents would be transferred to other vacant positions within the Division. The elimination of the terminal pay-out costs is reflected in [Exhibit C](#).

The Joint Subcommittee on General Government approved the Supreme Court's request to add 2.5 positions to complete its dedicated security unit.

Assemblyman Bobzien:

I am not comfortable with doing this. I understand that the Joint Subcommittee on General Government has approved the addition of 2.5 positions. I have discussed this with the Chair of the Assembly Committee on Ways and Means. In order to streamline the discussion, the Subcommittee should recommend approval of the

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budget, with the understanding that this will give other members who have similar concerns an opportunity to present those concerns to the full committees.

Senator Goicoechea:

How many vacant positions do we have, given the addition of positions in one place and reduction of positions in another?

Ms. Davis:

The Supreme Court created a Chief of Police position in July 2012. The Joint Subcommittee on General Government has approved the addition of 2.5 positions to complete the Supreme Court's security unit at 3.5 positions. The two positions in the Capitol Police budget, which had been previously assigned to the Supreme Court, would be eliminated by the Executive Budget. However, both incumbents would be transferred to vacant officer positions within the Capitol Police. The Capitol Police is primarily funded through a transfer from the Department of Administration's B&G Division, which is supported by State-owned property rent assessed to State agencies. The Supreme Court's dedicated security unit is supported through the General Fund.

Senator Goicoechea:

Is the net effect a 1.5 position increase?

Ms. Davis:

Yes, but it is not an apples-to-apples comparison.

Assemblyman Hambrick:

Do the transfers of positions and salaries include appropriations for expenses such as cars, guns, ammunition and other overhead items?

Ms. Davis:

The Supreme Court's decision unit included those types of items for the positions they requested.

Chair Parks:

The Supreme Court created a Chief of Police position in 2012. Was that approved through the budgetary process?

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Ms. Davis:

The Supreme Court is exempt from going through some of the same processes that the Executive Branch must go through.

Chair Parks:

Does the Supreme Court have staff in Las Vegas?

Ms. Davis:

In the past, they had Capitol Police in Las Vegas. Those positions were eliminated and the U.S. Marshals Service now provides security at the Regional Justice Center in Las Vegas.

ASSEMBLYMAN BOBZIEN MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE BUDGET AMENDMENT NO. A13A0019 TO ELIMINATE TWO DPS OFFICER I POSITIONS FROM B/A 710-4727, INCLUDING AN ADJUSTMENT TO ELIMINATE \$28,745 FOR TERMINAL LEAVE PAY-OUT COSTS IN FY 2013-2014.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Davis:

There are three other closing items for B/A 710-4727.

E-226 Efficient and Responsive State Government — Page PUBLIC SAFETY-214

E-247 Efficient and Responsive State Government — Page PUBLIC SAFETY-215

E-710 Equipment Replacement — Page PUBLIC SAFETY-216

On March 14, the Budget Division submitted Budget Amendment No. A130014727, which eliminates the antivirus software specific to this budget

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account. On April 18, the IFC approved the Administration's request to transition to an enterprise antivirus software solution.

SENATOR GOICOECHEA MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATIONS IN B/A 710-4727 AND TO AUTHORIZE FISCAL STAFF TO MAKE ADJUSTMENTS TO B/A 710-4727 BASED ON THE CLOSING ACTION OF THE DEPARTMENT OF ADMINISTRATION'S EITS CONSOLIDATION ACCOUNT, INCLUDING ADJUSTMENTS TO DEPARTMENTAL COST ALLOCATIONS; TO ELIMINATE ANTIVIRUS SOFTWARE PURSUANT TO BUDGET AMENDMENT NO. A130014727; AND TO AUTHORIZE FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Chair Parks:

We will now consider B/A 101-4708.

DPS - Justice Assistance Act — Budget Page PUBLIC SAFETY-253 (Volume III)
Budget Account 101-4708

Ms. Davis:

There are no major issues with this budget account. The subcommittees have not previously heard it. It serves as a pass-through account for some of the U.S. Department of Justice grants.

SENATOR GOICOECHEA MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE B/A 101-4708 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

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ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Chair Parks:

We will now consider B/A 101-4736.

DPS - Justice Grant — Budget Page PUBLIC SAFETY-258 (Volume III)
Budget Account 101-4736

Ms. Davis:

The Subcommittee has not heard this budget account. It is a Fiscal Staff-recommended closing. This is a pass-through account for the Justice Assistance Grant funds. There are no major issues.

SENATOR GOICOECHEA MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATIONS IN B/A 101-4736 AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Chair Parks:

We will now consider B/A 101-4737.

DPS - Fund for Reentry Programs — Budget Page PUBLIC SAFETY-267 (Volume III)
Budget Account 101-4737

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Ms. Davis:

This is the budget account through which donations are passed to fund reentry of persons into the community upon their release from incarcerations. There are no major issues in this account.

ASSEMBLYMAN SPRINKLE MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATIONS IN B/A 101-4737.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Chair Parks:

We will now consider B/A 101-4709.

DPS - Criminal History Repository — Budget Page PUBLIC SAFETY-145 (Volume III)
Budget Account 101-4709

Catherine Crocket (Program Analyst):

There are three major closing issues in this account.

The Governor recommends reserve funding totaling \$270,144 in the 2013-2015 biennium to add two administrative assistant III positions and one administrative assistant IV position to support caseload growth in the Sex Offender Registry. According to information attached to the Governor's recommended budget, the new positions would reduce the annual caseload per worker from 400 to 350. The Agency indicates that the current caseload is 540, with one case representing one registration verification. As a cost savings measure, the DPS has requested two administrative assistant III positions to provide clerical support to the administrative assistant IV case investigators.

E-350 Safe and Livable Communities — Page PUBLIC SAFETY-148

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This request is not related to the potential implementation of A.B. No. 579 of the 74th Session, which has been delayed pending judicial determinations.

ASSEMBLYMAN GRADY MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATIONS TO ADD THREE ADMINISTRATIVE ASSISTANT POSITIONS III IN B/A 101-4709 TO SUPPORT THE SEX OFFENDER REGISTRY.

SENATOR GOICOECHEA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Crocket:

The Governor recommends \$593,088 over the 2013-2015 biennium to establish a State Rap Back system, which would report new convictions of an individual after an initial background check to an employer. This item is contingent upon the passage of Senate Bill 502.

E-351 Safe and Livable Communities — Page PUBLIC SAFETY-149

SENATE BILL 502 (1st Reprint): Makes various changes relating to certain required investigations of the background and personal history of certain persons as a condition of employment, licensure, certification and other privileges. (BDR 40-1137)

According to the Department, the Rap Back program would initially be limited to long-term health care facilities in the 2013-2015 biennium, with the intent to offer the program to other types of business entities in the future. In FY 2013-2014, the Agency would develop the information system necessary to implement the Rap Back program, supported by federal funding of \$319,984. No ongoing program costs are recommended in FY 2013-2014. In FY 2014-2015, the Executive Budget recommends additional costs totaling \$260,225 to operate the Rap Back program, and costs associated with additional background checks for long-term care facility

employees. The recommendations include two new positions in FY 2014-2015, one accounting assistant III and one administrative assistant III, dedicated to the Rap Back program.

Testimony by the Department at the budget hearing indicated that the federal government is developing a federal-level Rap Back program, scheduled for deployment in 2014. The Department assumes that a state-level Rap Back program will become a mandate in the future.

Decision unit E-351 contains four revenue changes.

The Governor recommends establishing a new annual fee charged to the employer of \$10.50 per employee enrolled in the new Rap Back system to support the ongoing operations of the new program. The Agency estimates that 20 percent of long-term care facilities would enroll in the program, generating 4,251 Rap Back enrollments and \$44,640 in annual Rap Back fee revenue. According to the Agency, the proposed annual Rap Back enrollment fee is similar to what other states charge for the service. The Agency indicates that Florida charges a per person, per year fee of \$6.00. New Jersey charges \$10.00 and Virginia charges \$7.00.

According to the Department, the Rap Back program would reduce fingerprint fee revenue. This is because long-term care facility employees enrolled in the Rap Back program would no longer need to pay the fingerprint fee each time they change jobs because their fingerprints would be retained by the Criminal History Repository. The Agency projects an annual decrease in fingerprint fee revenue of \$170,056 in FY 2014-2015 due to this change, based on the projected Rap Back enrollment of 4,251 employees. This reduction is factored into the total fingerprint fee revenue for decision unit E-351.

The Governor recommends increasing the State fee by \$2.50, a 12 percent increase, bringing the State fingerprinting fee to \$23.50. As a result, the total fingerprint fee would increase from \$37.50 to \$40.00 beginning in FY 2014-2015. According to the Agency, the fingerprint fee increase would apply to all fingerprints, with the exception of volunteer fingerprints, and would not be limited to fingerprinting associated with the proposed Rap Back program. At the budget hearing, the Agency indicated the \$2.50 increase in the fingerprint fee is intended

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to support the ongoing costs associated with the proposed Rap Back program. The Agency estimates that the fee increase would generate \$391,320 in additional revenue in FY 2014-2015.

Senate Bill 502 contains provisions to expand the types of long-term care facilities that would be subject to obtaining fingerprint-based background checks for their employees. The Agency estimates the inclusion of these additional facilities would generate 180 additional fingerprint requests, providing additional revenues of \$7,200 in FY 2014-2015. Senate Bill 502 requires that temporary employees of long-term care facilities and employees in acute-care facilities, with an average length of stay exceeding 25 days, be subject to fingerprint-based background checks.

The ongoing costs associated with the Rap Back program would be about \$260,000 per year, whereas the Rap Back fee revenue would be about \$45,000. Taking into consideration the projected decrease in fingerprint fee revenue, the Rap Back program would generate a loss of about \$380,000 per year. This would be offset by the increase in the fingerprint fee. In order for the Rap Back enrollment fee to fully support the program, Fiscal Staff estimates that the fee would have to be set at about \$100 per employee over the 2013-2015 biennium. That amount appears to be more than the fee charged by other states. The Department has indicated that setting the fee higher would discourage enrollment in the program.

The Rap Back program is a pilot program. The Department has no past experience to accurately predict enrollment in the program. Approval of this recommendation would increase the fingerprint fee for all fingerprint-based background checks by \$2.50.

Senator Goicoechea:

Does the increase of \$2.50 generate the \$391,000 to cover the \$380,000 shortfall?

Ms. Crocket:

Yes.

Assemblywoman Kirkpatrick:

We are increasing the fees, but the bottom line is that the fee for employees to

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enroll in the program is \$100. Is that correct?

Ms. Crocket:

The Department has proposed a fee of \$10.50 per enrolled employee. An enrollment fee of \$100 would completely support the program.

Assemblywoman Kirkpatrick:

Will the employee be paying only \$10.50?

Ms. Crocket:

The employer would pay the fee. The Department has proposed to raise the fingerprint fee for all background checks in order to support the Rap Back program.

SENATOR GOICOECHEA MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E-351 OF B/A 101-4709 TO ESTABLISH A RAP BACK PROGRAM WITH THE NOTED TECHNICAL ADJUSTMENT SUBJECT TO THE APPROVAL OF S.B. 502.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Crocket:

The final major closing issue in the account is the continuation of three positions to support the Nevada Criminal Justice Information System (NCJIS) modernization project. The Governor recommends reserve funding totaling \$398,709 over the 2013-2015 biennium to support the positions that were approved by the IFC at its August 23, 2012, meeting. Those positions consist of one business process analyst III and two business process analysts II. The Governor recommends a one-shot appropriation of about \$2.3 million to fund the NCJIS modernization project in the 2013-2015 biennium, for which the Department originally requested \$8.6 million.

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E-374 Safe and Livable Communities — Page PUBLIC SAFETY-150

Fiscal Staff asked the Department if the three positions could be reduced to align with the Governor's recommendation. The Department indicated their intention is to complete the project and that they will need the three positions.

SENATOR GOICOECHEA MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION TO SUPPORT THE THREE BUSINESS PROCESS ANALYST POSITIONS APPROVED AT THE AUGUST 2012 MEETING OF THE IFC WITH RESERVE FUNDING IN THE 2013-15 BIENNIUM.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. Crocket:

The five other closing items in B/A 101-4709 appear reasonable. Several decision units are contingent upon approval of the Governor's recommendations to transfer the DPS IT services to the EITS. Fiscal Staff has completed some minor technical adjustments.

M-800 Cost Allocation — Page PUBLIC SAFETY-147

M-801 Cost Allocation — Page PUBLIC SAFETY-148

E-800 Cost Allocation — Page PUBLIC SAFETY-153

E-801 Cost Allocation — Page PUBLIC SAFETY-153

E-803 Cost Allocation — Page PUBLIC SAFETY-154

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E-247 Efficient and Responsive State Government — Page PUBLIC
SAFETY-148

E-500 Adjustment to Transfers — Page PUBLIC SAFETY-150

E-910 Transfer from DPS Technology to Criminal History — Page PUBLIC
SAFETY-154

E-501 Adjustments to Transfers — Page PUBLIC SAFETY-150

E-915 Transfer from DPS Technology to Criminal History — Page PUBLIC
SAFETY-155

E-914 Transfer from Criminal History to DPS Technology — Page PUBLIC
SAFETY-155

E-710 Equipment Replacement — Page PUBLIC SAFETY-152

E-720 New Equipment — Page PUBLIC SAFETY-152

SENATOR WOODHOUSE MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATIONS IN DECISION UNITS M-800, M-801, E-800, E-801, E-803, E-247, E-500, E-910, E-501, E-915, E-914, E-710 AND E-720 IN B/A 101-4709 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY BASED ON THE CLOSING ACTION OF THE DEPARTMENT OF ADMINISTRATION'S EITS CONSOLIDATION ACCOUNT AND MAKE TECHNICAL ADJUSTMENTS FOR THE FINAL INTERNAL COST ALLOCATIONS.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Chair Parks:

We will now discuss B/A 101-4702, General Services.

Ms. Crocket:

This is a new account for the 2013-2015 biennium. The Governor recommends establishing a new General Services Division to provide centralized support services, including dispatch and warrant activities, to other DPS divisions and State agencies. The proposed General Services Division would be comprised of an Administrative Office, a Dispatch Bureau, a Records Bureau and a Warrant Unit.

This new account would contain the functions associated with the Dispatch Bureau and the Warrant Unit, as well as a portion of the Administrative Office, while the existing Criminal History Repository account would contain the Records Bureau and the remainder of the Administrative Office.

The Governor proposes to eliminate the Records and Technology Division of the DPS as part of the proposed transfer of their IT functions to the EITS. According to the Department, centralizing activities that benefit the entire Department, rather than a specific division, such as dispatch and warrant activities, within the General Services Division, would enable the Department to more efficiently use available resources, provide greater transparency and support improved customer service. The Department indicates that it plans to evaluate whether other Department-wide support functions could be incorporated efficiently into the General Services Division.

The Department does not have any concerns with the operations of warrant and dispatch activities under the current organizational structure. Establishing the General Services Division is not meant to solve any existing problem. Rather, the Department indicates the proposal to transfer these functions to the General Services Division relates to efficiency and proper location of services.

Page 44 of [Exhibit C](#) contains a chart showing decision units that would be transferred to the new budget account. The new Department would be staffed by 77 positions.

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E-912 Transfer from DPS Technology to General Services — Page PUBLIC
SAFETY-160

E-913 Transfer from DPS Technology to General Services — Page PUBLIC
SAFETY-160

E-917 Transfer from DPS Technology to General Services — Page PUBLIC
SAFETY-161

E-925 Transfer from DPS Technology to General Services — Page PUBLIC
SAFETY-161

E-940 Transfer from Highway Patrol to General Services — Page PUBLIC
SAFETY-162

E-941 Transfer from Highway Patrol to General Services — Page PUBLIC
SAFETY-162

E-942 Transfer from Highway Patrol to General Services — Page PUBLIC
SAFETY-163

An additional five decision units are necessary to establish the General Services account.

E-225 Efficient and Responsive State Government — Page PUBLIC SAFETY-158

E-247 Efficient and Responsive State Government — Page PUBLIC SAFETY-158

E-500 Adjustments to All Transfers — Page PUBLIC SAFETY-158

The Governor recommends the reclassification of one IT professional III position to a business process analyst position to serve as a technology liaison between the DPS IT services and the EITS. Staff has completed minor technical adjustments to eliminate ongoing costs associated with antivirus software due to the transition to a statewide desktop computer security initiative recently approved by the IFC.

E-805 Classified Position Reclassifications — Page PUBLIC SAFETY-159

The Governor's recommended budget overstates the savings associated with the reclassification by placing the business process analyst at a step 1, instead of a step 10. In response to Fiscal Staff's concerns, the Fiscal Analysis Division received Budget Amendment No. A13A0021 on March 13, to increase the business process analyst position to a step 10. Fiscal Staff has completed adjustments shown on page 42 of [Exhibit C](#) to implement the budget amendment. Fiscal Staff has completed additional adjustments to correct the budgeted retirement code for the position and to correct an error relating to the revenue source included in this decision unit. Because of these changes, the budgeted savings associated with this decision unit are \$23,093 over the biennium, not the \$76,458 as originally stated in the Executive Budget.

The Governor recommends the reclassification of one vacant sworn lieutenant position transferred from the NHP to this account to a nonsworn administrative services officer I to serve as the dispatch manager.

E-807 Classified Position Reclassifications — Page PUBLIC SAFETY-159

The Subcommittee discussed whether losing a sworn officer would negatively affect the operations of the NHP. The NHP does not believe the loss of the sworn position would have a negative impact on its operations because the proposal would free time from sworn officers who currently dedicate time to managing the dispatch and warrant functions and allow them to dedicate their time to law enforcement.

Sworn staff within the General Services Division of the NHP currently manages the Dispatch Bureau. The Bureau would continue to operate three dispatch centers throughout the State in Las Vegas, Carson City and Elko. A supervisor in Reno would manage dispatch staff in Reno and Elko. An on-site supervisor would manage dispatch staff in Las Vegas.

There is on-site management of the Warrant Unit in the NHP by sworn staff in the General Services of the NHP. In the new General Services Division however, one administrative assistant IV located in Elko would provide direct supervision of the Warrant Unit of nine administrative assistants III, including two positions in Carson City, three positions in Elko, and four positions in Las Vegas.

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SENATOR GOICOECHEA MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATIONS IN B/A 101-4702 ESTABLISHING A GENERAL SERVICES DIVISION WITH BUDGET AMENDMENT NO. A13A0021 TO ADJUST THE RECLASSIFICATION OF THE BUSINESS PROCESS ANALYST POSITION AND THE TECHNICAL ADJUSTMENTS MADE BY FISCAL STAFF; TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS THAT MAY BE NECESSARY BASED ON THE CLOSING ACTION OF THE EITS CONSOLIDATION; AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR FINAL INTERNAL COST ALLOCATIONS.

ASSEMBLYMAN HAMBRICK SECONDED THE MOTION.

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

SENATE: MOTION CARRIED UNANIMOUSLY.

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Chair Parks:

We will now consider B/A 101-4710.

Ms. Crocket:

DPS - Child Volunteer Background Checks Trust Acct — Budget Page PUBLIC
SAFETY-164 (Volume III)
Budget Account 101-4710

The Child Volunteer Background Checks Trust Account is used to fund the costs of investigating the background of volunteers who work with children. The Subcommittee has not previously reviewed this budget account. Fiscal Staff is responsible for developing closing recommendations for this account. There are no major closing issues for this account.

The Governor recommends General Fund appropriations of \$15,087 each year to fund background checks for volunteers of nonprofit organizations working with children under the age of 16. This is the same level of funding approved by the

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2011 Session. In order to maximize the use of the funds approved for the account, Fiscal Staff recommends that the Appropriations Act include language that allows for the transfer of General Fund appropriations between fiscal years in order to address shortfalls in either fiscal year.

SENATOR GOICOECHEA MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATION TO APPROPRIATE \$15,087 FROM THE GENERAL FUND TO B/A 101-4710 IN EACH YEAR OF THE 2013-2015 BIENNIUM AND TO ADD LANGUAGE TO THE APPROPRIATIONS ACT THAT ALLOWS FOR THE TRANSFER OF GENERAL FUND APPROPRIATIONS BETWEEN FISCAL YEARS TO ADDRESS SHORTFALLS IN EITHER FISCAL YEAR.

ASSEMBLYMAN GRADY SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Chair Parks:

We will now consider B/A 201-4733.

DPS - Technology Division — Budget Page PUBLIC SAFETY-165 (Volume III)
Budget Account 201-4733

Ms. Crocket:

The major closing issue in this budget account is the transfer of DPS IT services to the EITS.

E-930 Transfer from DPS Technology to EITS — Page PUBLIC SAFETY-177

E-931 Transfer from DPS Technology to EITS — Page PUBLIC SAFETY-178

E-932 Transfer from DPS Technology to EITS — Page PUBLIC SAFETY-178

E-933 Transfer from DPS Technology to EITS — Page PUBLIC SAFETY-179

E-934 Transfer from DPS Technology to EITS — Page PUBLIC SAFETY-180

The Governor recommends transferring DPS's IT activities to the EITS effective July 1, as the first phase of the State's effort to consolidate IT services within EITS. The consolidation includes eliminating the Technology Division account by transferring \$11.7 million and 48 positions to the EITS and \$3.5 million and 5 positions to other DPS divisions. The DPS IT staff would transfer into a separate account within the EITS instead of being integrated with existing EITS accounts in the 2013-2015 biennium. Additionally, transferred staff would not physically relocate to the EITS facilities, but would remain in their existing location with the DPS staff, with the possibility of changing their physical location at some time in the future.

The Director of the Department of Administration indicated that the proposed transfer of DPS IT services is a move towards a statewide consolidated and standardized IT environment. The Director further indicated that this consolidation should be viewed as a pilot program. The proposed transfer has also been discussed by the Joint Subcommittee on General Government at the EITS budget hearing and Work Session.

The DPS has provided IT services internally for many years without reliance on the EITS. Currently, the Technology Bureau, which is contained in this account in DPS, provides the DPS IT-related services. The Bureau provides technical support, computer resources, application development and network connectivity for approximately 1,500 internal users in other DPS divisions and 17,000 external users who access DPS's information systems, which are available 24 hours per day. The Department testified at the budget hearing that external users would not be impacted by the proposed consolidation.

According to the Department, the transfer of DPS's IT services to the EITS is not intended to address any specific issue the DPS experiences with IT services within the current organizational structure. However, the Agency states that its current IT environment is extensive and aging and that the DPS has not been able to dedicate sufficient resources to maintain it. The DPS Director testified, at the February 15 Subcommittee hearing, that providing IT services is not a core

competency of a law enforcement organization and that the EITS, being the State's subject-matter expert on IT services, is better qualified than the DPS to make certain IT-related decisions. Moreover, the EITS indicates that the DPS approached the EITS about taking over its IT services.

The Executive Budget does not contain a business plan describing how the proposed consolidation of the DPS IT and the EITS would be carried out. However, the EITS has indicated that it intends to integrate DPS's IT staff into existing EITS budget accounts in the 2015-2017 biennium. A contract project manager would develop a detailed plan for this consolidation in the 2013-2015 biennium. There is a brief timeline of this process on page 52 of [Exhibit C](#).

The Subcommittee discussed security issues associated with security policy for the NCJIS requirements to which the DPS is subject. The EITS testified that it plans to elevate the security environment for the EITS to align with the NCJIS security requirements. A draft agreement between the EITS and the DPS specifies that the EITS must comply with specific sections of the NCJIS security policy.

The EITS does not currently offer the same IT services that the Bureau offers. It appears that the DPS would have access to all services currently provided by the Bureau through the DPS-IT Consolidation account. However, it appears likely that the DPS will lose the ability to customize its IT services to the same degree it has in the past, as new criminal justice related technologies arise, since the DPS would no longer have direct control over IT staff.

Testimony by the Director of the Department of Administration at the budget hearing indicated that achieving cost savings was not a goal of consolidating the DPS IT services with the EITS. The Executive Budget recommends additional costs within the EITS, shifting administrative costs from the Department of Administration to the DPS, and dedicating resources within the DPS to support the consolidated IT environment.

The Executive Budget, as amended, recommends additional cost-allocation funding totaling approximately \$420,000 in the 2013-2015 biennium to support the consolidation, including increasing the salary of the EITS administrator, a contract project manager to plan and manage the consolidation, and a new deputy administrator whose responsibilities would include the oversight of IT activities and

staff transferred from DPS. Of the \$420,000 additional cost within the EITS in the 2013-2015 biennium, \$175,000 would be a one-time cost to support the contract manager, and the remaining \$245,000 would be ongoing costs associated with increases in staffing and salary levels.

The Executive Budget recommends allocating costs of approximately \$560,000 over the biennium to the DPS to support administrative services within the Department of Administration for the new IT Consolidation account. While these expenditures are not an additional cost to the State, they represent an additional cost to the DPS because of the consolidation. If the consolidation is not approved, these administrative costs need to be reallocated to other accounts in the Department of Administration.

The Executive Budget recommends dedicating one existing position in the DPS to act as a technology liaison between the DPS and the EITS to provide oversight of Department-wide IT needs and to coordinate IT services with the EITS. Testimony by the DPS at the March 19 hearing of the Joint Subcommittee on Public Safety indicated that the DPS anticipates additional technology liaisons may be necessary in future biennia to meet its ongoing business needs. Future costs associated with additional technology liaisons are unknown at this time

All staff and associated costs transferred from the DPS to the EITS would be placed into a separate, newly created budget account in the 2013-2015 biennium. The DPS would be responsible for reimbursing the EITS for the entire cost of that budget account. In future biennia, when the DPS staff is merged into the EITS accounts, the DPS would begin paying standard EITS service rates. The Executive Budget would require the DPS to contribute approximately \$12.3 million in funding to the EITS, however it only included \$11.4 million within the DPS accounts to fund the EITS account, creating a \$900,000 shortfall. A budget amendment was submitted to correct this error. The Executive Budget included a mechanism to estimate the cost to the DPS of purchasing IT services from the EITS at \$13.5 million. This is approximately \$2.1 million more than the DPS currently pays for its Technology Division account. Several budget amendments were submitted that changed these utilizations to \$4.8 million over the biennium, suggesting that it would be more cost effective for the DPS to purchase IT services from the EITS. Fiscal Staff asked the EITS to provide projections of the anticipated cost of providing IT services to the DPS in future

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biennia, and the EITS indicated that it is not possible to project what costs in the future would be.

There is a technical issue regarding reserves within the EITS that will create issues with merging the DPS staff into existing EITS accounts. The Joint Subcommittee on General Government will discuss this detail tomorrow during the EITS budget closing.

At the budget hearing, the Subcommittee expressed concern that the consolidation lacked robust measurements of success and milestones that would provide information regarding the success and effectiveness of the consolidation. Testimony by the Department of Administration at the budget hearing indicated that measurements of customer satisfaction would be the primary means of determining whether this pilot project is successful. This would be measured by customer satisfaction surveys and compliance with the DPS's IT service agreement with the EITS to measure the consolidation's success.

Chair Parks:

Did the DPS enter into a memorandum of understanding? The discussion at the budget hearing was that it was being developed.

Ms. Crocket:

Yes, they are working on it and they have provided Fiscal Staff with a draft of the document. The consolidation must be legislatively approved before it can be signed.

Chair Parks:

Will the additional costs discussed on the bottom of page 53 of [Exhibit C](#) also be discussed at the Joint Subcommittee on General Government tomorrow?

Ms. Crocket:

Yes.

ASSEMBLYMAN HAMBRICK MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE TRANSFERRING THE DPS IT SERVICES TO THE DIVISION OF EITS AS RECOMMENDED BY THE GOVERNOR AND TO

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AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY TO PROPERLY IMPLEMENT THE RECOMMENDATION.

SENATOR WOODHOUSE SECONDED THE MOTION.

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

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

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Ms. Crocket:

There are 12 other closing items for this budget account, all of which appear reasonable.

ASSEMBLYMAN SPRINKLE MOVED TO RECOMMEND TO THE FULL COMMITTEES TO APPROVE THE GOVERNOR'S RECOMMENDATIONS IN B/A 201-4733 AND TO AUTHORIZE FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

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

SENATOR WOODHOUSE SECONDED THE MOTION.

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

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Chair Parks:

Seeing no further comments from Subcommittee members, and seeing no public comment, this meeting is adjourned at 9:17 a.m.

RESPECTFULLY SUBMITTED:

Leslie Sexton,
Committee Secretary

APPROVED BY:

Senator David R. Parks, Chair

DATE: _____

Assemblyman David P. Bobzien, Chair

DATE: _____

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<u>EXHIBITS</u>				
Bill	Exhibit		Witness / Agency	Description
	A	1		Agenda
	B	1		Attendance Roster
	C	59	Fiscal Analysis Division of the Legislative Counsel Bureau	Closing List #5 April 30, 2013