

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Eighth Session
March 30, 2015**

The Committee on Ways and Means was called to order by Chair Paul Anderson at 8:06 a.m. on Monday, March 30, 2015, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, 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 www.leg.state.nv.us/App/NELIS/REL/78th2015. In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Paul Anderson, Chair
Assemblyman John Hambrick, Vice Chair
Assemblyman Derek Armstrong
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Irene Bustamante Adams
Assemblywoman Maggie Carlton
Assemblywoman Jill Dickman
Assemblyman Chris Edwards
Assemblyman Pat Hickey
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Randy Kirner
Assemblyman James Oscarson
Assemblyman Michael C. Sprinkle
Assemblywoman Heidi Swank
Assemblywoman Robin L. Titus



STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Stephanie Day, Principal Deputy Fiscal Analyst
Leannandra Copeland, Program Analyst
Mandi Davis, Program Analyst
Adam Drost, Program Analyst
Jennifer Gamroth, Program Analyst
Brody Leiser, Program Analyst
Andrea McCalla, Program Analyst
Linda Blevins, Committee Secretary
Cynthia Wyett, Committee Assistant

Following call of the roll, Chair Anderson advised the Committee that there would be 16 budget accounts considered for Fiscal Analysis Division staff closing. He reminded the Committee that the budgets had not been heard by the Committee. The Fiscal Analysis Division staff had reviewed the budgets and determined there were no major closings items to consider.

Chair Anderson opened the hearing for public comment. There being none, Chair Anderson opened the hearing for budget closings.

**SPECIAL PURPOSE AGENCIES
OFFICE OF MILITARY
MILITARY EMERG OPERATIONS CENTER (101-3655)
BUDGET PAGE MILITARY-35**

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 3655, Emergency Operations Center, for closing. Ms. Gamroth noted there were three budget accounts for the Office of the Military.

The Emergency Operations Center (EOC) housed the Division of Emergency Management and Nevada Highway Patrol dispatch of the Department of Public Safety; Nevada National Guard civil support components; and the Division of Forestry, State Department of Conservation and Natural Resources. The budget included maintenance personnel and related operating costs funded through building rent charges paid by the agencies located in the facility. The 2013 Legislature approved a rent charge of \$0.90 per square foot of space occupied for the 2013-2015 biennium. For the 2015-2017 biennium, the Governor recommended a rent charge of \$0.85 per square foot.

Ms. Gamroth pointed out that under the other closing items, the recommendations appeared reasonable to Fiscal Analysis Division staff; however, technical adjustments had been made.

Ms. Gamroth was concerned with the Governor's recommended budget for operating expenses for the EOC. The Executive Budget included expenses of \$179,253 for fiscal year (FY) 2016 and \$174,217 for FY 2017. These amounts were primarily based on FY 2014 actual expenditures. In reviewing expenses for prior years, it appeared actual operating expenditures for FY 2014 were lower than normal. The five-year average of actual operating expenditures was \$207,000. Based on the five-year comparison, Fiscal Analysis Division staff was recommending an adjustment to the EOC building category by adding \$27,747 for FY 2016 and \$32,783 for FY 2017 to increase the operating budget to \$207,000 for each year of the 2015-2017 biennium. The increase would be funded from Emergency Management Building category reserves. The agency concurred with Fiscal Analysis Division staff.

For informational purposes, Ms. Gamroth reviewed the ending reserve balances for BA 3655. The Governor recommended a reserve balance of \$314,927 at the end of FY 2017, which was equivalent to a 413-day reserve. As a rule, the 60-day reserve of \$45,735 was considered optimal for unforeseen expenditures for this account. However, with the increase in the operating budget, it would bring the reserves down to \$254,397 by the end of FY 2017. This was equivalent to a 299-day reserve.

In discussions with the Office of the Military regarding the high reserve, Ms. Gamroth learned the Office was anticipating the need for major maintenance projects. Listed in the order of priority, the first item was an estimated \$200,000 to replace a water main that had failed four times. Item two was \$100,000 for a slope stabilization project needed because of the excessive rainstorm that resulted in water flowing towards the building and penetrating the envelope. The third priority item was \$65,490 for a light-emitting diode (LED) lighting retrofit for the building. According to Ms. Gamroth, based on the information provided by the Office of the Military, the Fiscal Analysis Division staff did not have objections to the ending reserve levels given the anticipated maintenance needs of the EOC.

Ms. Gamroth stated that when final estimates were received for the water main project, the agency would appear before the Interim Finance Committee (IFC) to request approval to fund the project.

Ms. Gamroth asked whether the Committee wished to approve the other closing items as recommended by the Governor, including the increase for the

Emergency Management Building category of \$27,747 in FY 2016 and \$32,783 in FY 2017 funded with reserves as recommended by Fiscal Analysis Division staff, and requested authority for Fiscal staff to make technical adjustments as necessary.

Chair Anderson opened the hearing for discussion.

Assemblywoman Bustamante Adams inquired whether Ms. Gamroth anticipated that the total for the water main project might be more than the estimated state share of \$200,000.

In response, Ms. Gamroth explained that it was her understanding the project would be close to \$1 million. Because the project affected other federally funded building occupants, the balance would be shared with those occupants and paid with federal funds.

Chair Anderson asked whether the \$200,000 would come from the reserve funding or whether other funding was available.

Ms. Gamroth replied that the \$200,000 would come from the reserves. If the cost of the state share was \$200,000, the balance would be reduced to an approximate 60-day reserve.

There being no additional comments or questions, Chair Anderson requested a motion for approval.

ASSEMBLYMAN OSCARSON MOVED TO APPROVE BUDGET ACCOUNT 3655 AS RECOMMENDED BY THE GOVERNOR, INCLUDING THE INCREASE TO THE EMERGENCY MANAGEMENT BUILDING CATEGORY FUNDED WITH RESERVES AS RECOMMENDED BY FISCAL ANALYSIS DIVISION STAFF, AND THE AUTHORITY FOR FISCAL STAFF TO MAKE ANY TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**SPECIAL PURPOSE AGENCIES
OFFICE OF MILITARY
MILITARY ADJUTANT GENERAL'S SPECIAL FACILITY ACCT (101-3652)
BUDGET PAGE MILITARY-39**

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 3652, Military Adjutant General's Special Facility Account, for closing. This budget account provided authority for the Office of the Military to receive rental income for the use of armories or other facilities. The rental income was used for minor repairs at the facilities. There were no major closing items in this budget account. Fiscal Analysis Division staff recommended this budget be closed as recommended by the Governor and requested authority to make technical adjustments as necessary.

Chair Anderson opened the hearing for discussion.

Assemblywoman Bustamante Adams asked who rented the facilities in question.

Ms. Gamroth responded that an example of someone who would rent the facility would be a mining company using the facility for training purposes.

Lieutenant Colonel Clayton Chappell, Construction and Facilities Management Officer, Nevada National Guard, Office of the Military, commented that other state agencies, such as the Nevada Highway Patrol, Department of Public Safety, had rented the facilities. Often county agencies, school districts, and others had used the facilities.

There being no additional comments or questions, Chair Anderson requested a motion to approve BA 3652.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE BUDGET
ACCOUNT 3652 AS RECOMMENDED BY THE GOVERNOR,
INCLUDING AUTHORITY FOR FISCAL STAFF TO MAKE
TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**SPECIAL PURPOSE AGENCIES
OFFICE OF MILITARY
MILITARY NATIONAL GUARD BENEFITS (101-3653)
BUDGET PAGE MILITARY-41**

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 3653, National Guard Benefits, for closing. The National Guard Benefits budget account was established by the 1973 Legislature to encourage recruitment and retention of active members of the Nevada National Guard by providing guardsmen with a funding source for educational tuition reimbursement for summer classes. The reimbursement was available for guardsmen in good standing who earned a passing grade of "C" or higher in the class. *Nevada Revised Statutes* (NRS) 396.544 allowed the Board of Regents of the Nevada System of Higher Education to grant a waiver of registration fees and laboratory fees for the fall and spring semesters. There were no major closing issues in this budget account.

Ms. Gamroth noted that The Executive Budget recommended State General Fund appropriations of \$57,824 each fiscal year of the 2015-2017 biennium for summer school tuition reimbursement. The recommended amounts were consistent with the levels expended in fiscal year 2014.

Fiscal Analysis Division staff recommended this budget be closed as included in The Executive Budget and requested authority to make any necessary technical adjustments.

There being no additional comments or questions, Chair Anderson requested a motion to approve BA 3653.

ASSEMBLYMAN HAMBRICK MOVED TO APPROVE BUDGET
ACCOUNT 3653 AS RECOMMENDED BY THE GOVERNOR,
INCLUDING AUTHORITY FOR FISCAL STAFF TO MAKE
TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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EDUCATION

COMMISSION ON POSTSECONDARY EDUCATION

COMMISSION ON POSTSECONDARY EDUCATION (101-2666)

BUDGET PAGE POSTSEC EDUCATION-3

Andrea McCalla, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 2666, Commission on Postsecondary Education, for closing. Pursuant to *Nevada Revised Statutes* (NRS) 394.383 to NRS 394.560, the Commission on Postsecondary Education (CPE) set policy, adopted regulations, and granted licenses to operate private postsecondary institutions. There were no major closing issues in this budget account.

Ms. McCalla noted that Assembly Bill (A.B.) 440 was introduced on March 23, 2015, and heard in the Assembly Committee on Ways and Means on March 26, 2015, appropriating \$33,308 for terminal leave costs for two employees who retired in December 2014.

Fiscal Analysis Division staff suggested this budget account be closed as recommended by the Governor and requested authority for staff to make technical adjustments as necessary.

Chair Anderson requested clarification on the relationship between A.B. 440 and budget account 2666.

Cindy Jones, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that A.B. 440 was a supplemental appropriation to cover costs related to terminal leave pay for retiring employees for the current fiscal year. It did not affect the budget for the 2015-2017 biennium that Fiscal Analysis Division staff requested closed as recommended by the Governor.

There being no additional comments or questions, Chair Anderson requested a motion to approve BA 2666.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE BUDGET
ACCOUNT 2666 AS RECOMMENDED BY THE GOVERNOR,
INCLUDING AUTHORITY FOR FISCAL STAFF TO MAKE
TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ARMSTRONG SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - MERIT AWARD BOARD (101-1345)
BUDGET PAGE ADMIN-13**

Andrea McCalla, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 1345, Merit Award Board. The Board was established in 1967 to recognize state employees for ideas that improved the operation of state government or reduced, eliminated, or avoided state expenditures. Cash awards were given to employees based on a savings to the state. An award could not exceed 10 percent of the state savings or a maximum of \$25,000. There were no major closing items in this budget account.

Ms. McCalla noted there were 49 suggestions to improve the operation of state government given to the Merit Award Board in fiscal year (FY) 2014. One employee suggestion was adopted. Another Merit Award Board suggestion would be presented at the next Interim Finance Committee (IFC) meeting on April 9, 2015.

Fiscal Analysis Division staff suggested this budget account be closed as recommended by the Governor with authority for Fiscal Analysis Division staff to make any necessary technical adjustments.

Chair Anderson commented that at a previous IFC meeting, there was an award given for \$25,000 to a man who had saved the state \$267,000. The \$25,000 award was the maximum that could be awarded to an individual.

There being no additional comments or questions, Chair Anderson requested a motion to approve the budget.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE BUDGET
ACCOUNT 1345 AS RECOMMENDED BY THE GOVERNOR,
INCLUDING AUTHORITY FOR FISCAL STAFF TO MAKE
TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - PURCHASING (718-1358)
BUDGET PAGE ADMIN-177**

Andrea McCalla, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 1358, Purchasing. The primary responsibility of the Purchasing Division, Department of Administration, was to assist state agencies and political subdivisions with the efficient procurement of quality supplies, equipment, and services at a reasonable cost. There were no major closing items in this budget account.

Ms. McCalla explained there was a request for a travel increase in decision unit Enhancement (E) 226 to provide certified contract management classes statewide and equipment replacement requests in decision units E-710 and E-712. Additionally, there was a request for new SharePoint software in decision unit E-720 and an adjustment to cost allocations in decision units E-801 and E-804.

Fiscal Analysis Division staff suggested the budget be closed as recommended by the Governor and requested authority to make technical adjustments as necessary.

There being no comments or questions, Chair Anderson requested a motion to approve the budget.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE BUDGET
ACCOUNT 1358 AS RECOMMENDED BY THE GOVERNOR,
INCLUDING AUTHORITY FOR FISCAL STAFF TO MAKE
TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - NSLA - MAIL SERVICES (713-1346)
BUDGET PAGE ADMIN-240**

Andrea McCalla, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 1346, Mail Services. The central mailing room provided services to most state agencies in the Carson City, Reno, and Las Vegas areas. Services included managing incoming and outgoing mail, as well as interoffice mail. There were no major closing issues in BA 1346.

Ms. McCalla explained that the lease payment transfers in decision unit Maintenance (M) 500 and decision unit Enhancement (E) 900 were from the Mail Services Equipment, BA 1347 to BA 1346. The agency indicated that the operating lease payments should be included in the equipment operations budget as opposed to the budget for equipment.

Additionally, Ms. McCalla noted there were maintenance costs for an address printer in decision unit E-710 and cost-allocation adjustments in decision units E-801 and E-804. Fiscal Analysis Division staff identified a technical adjustment to add funding for the state's wide-area-networking infrastructure, SilverNet, tier-two usage. This had been omitted from The Executive Budget in error.

Fiscal Analysis Division staff suggested this budget be closed as recommended by the Governor and requested authority to make technical adjustments, including the adjustment to add funding for SilverNet usage fees at a tier-two rate, if necessary.

There being no comments or questions, Chair Anderson requested a motion to approve the budget.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE BUDGET ACCOUNT 1346 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL STAFF TO MAKE THE RECOMMENDED TECHNICAL ADJUSTMENT AND OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - NSLA - MAIL SERVICES EQUIPMENT (713-1347)
BUDGET PAGE ADMIN-246**

Andrea McCalla, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 1347. The Mail Services Equipment budget was approved by the 1999 Legislature to establish a reserve for equipment replacement for the state's mail services program. There were no major closing items in this budget.

Ms. McCalla noted the other closing items included decision units Enhancement (E) 710 and E-900 for the lease payment renewal and transfers from BA 1347 to BA 1346, Mail Services, as mentioned in the previous budget.

Fiscal Analysis Division staff suggested this budget be closed as recommended by the Governor and requested authority to make technical adjustments, if necessary.

There being no comments or questions, Chair Anderson requested a motion to approve the budget.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE BUDGET ACCOUNT 1347 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN ARMSTRONG SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - VICTIMS OF CRIME (287-4895)
BUDGET PAGE ADMIN-253**

Mandi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 4895, Victims of Crime (VOC). The VOC Program provided financial assistance to victims of violent crimes in the state. There were no State General Fund appropriations in this account, but it was supported by a variety of sources, including a federal grant, court assessments, court-levied fees, penalties, forfeitures, undistributed court-ordered restitution, inmate wage assessments, and interest. There were no major closing items in this account.

Ms. Davis noted the other closing items included two recommendations to adjust cost-allocation expenditures. These items were included in decision units Enhancement (E) 801 and E-804 for funding the Office of the Director, Department of Administration, and centralized human resource services provided by the Division of Human Resource Management. The recommendations appeared reasonable to Fiscal Analysis Division staff.

Fiscal Analysis Division staff suggested this budget be closed as recommended by the Governor and requested authority to make technical adjustments to the administrative court assessment revenue and cost-allocation expenditures as needed.

Assemblywoman Carlton requested additional information on the court assessment revenue projections.

Ms. Davis explained that the administrative court assessment revenue funded about 39.7 percent of BA 4895. The account had a reserve level of about \$7.8 million, which could cover about 220 days of operating expenditures. It appeared there would be sufficient revenue to fund the account through the 2015-2017 biennium.

Chair Anderson informed the Committee that Senate Bill (S.B.) 230 removed the limit on the total amount of compensation that could be awarded to victims of crime, but the bill had no bearing on the closing of this budget account.

There being no comments or questions, Chair Anderson requested a motion to approve the budget.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE BUDGET ACCOUNT 4895 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS TO THE ADMINISTRATIVE COURT ASSESSMENT REVENUE AND COST-ALLOCATION EXPENDITURES AS NECESSARY.

ASSEMBLYMAN EDWARDS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - HRM - UNEMPLOYMENT COMPENSATION (101-1339)
BUDGET PAGE ADMIN-29**

Adam Drost, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 1339, Unemployment Compensation. This budget was not previously heard by the Committee, and Fiscal Analysis Division staff was responsible for producing closing recommendations.

Mr. Drost explained that this budget received a uniform assessment on gross salaries and used the fund to reimburse the Employment Security Division, Department of Employment, Training and Rehabilitation (DETR), for unemployment benefits provided to former state employees.

There were no major closing items in this budget account, and Fiscal Analysis Division staff suggested the budget be closed as recommended by the Governor, with authority to make adjustments to the unemployment assessment rate and other technical adjustments as necessary.

There being no comments or questions, Chair Anderson requested a motion to approve the budget.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE BUDGET ACCOUNT 1339 AS RECOMMENDED BY THE GOVERNOR, INCLUDING THE AUTHORITY FOR FISCAL STAFF TO MAKE ADJUSTMENTS TO THE UNEMPLOYMENT ASSESSMENT RATE AND OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - SPWD - FACILITY COND & ANALYSIS (101-1560)
BUDGET PAGE ADMIN-148**

Brody Leiser, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 1560, Facility Condition and Analysis. Fiscal Analysis Division staff was responsible for developing recommendations for this budget account.

The Facility Condition and Analysis section of the State Public Works Division, Department of Administration, was responsible for periodically inspecting and evaluating facility maintenance needs for state-owned buildings. The budget was fully supported with State General Fund appropriations.

There were no major closing issues in this account; however, there were two other closing items. The first was decision units Enhancement (E) 225 and E-226 to restore two positions to full-time equivalent (FTE) to meet projected workload requirements. The second item was for adjustments to cost-allocation expenditures.

Fiscal Analysis Division staff suggested this budget be closed as recommended by the Governor, with authority for Fiscal Analysis Division staff to make technical adjustments as needed.

There being no comments or questions, Chair Anderson requested a motion to approve the budget.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE BUDGET ACCOUNT 1560 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN SWANK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - SPWD - MARLETTE LAKE (712-1366)
BUDGET PAGE ADMIN-165

Brody Leiser, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 1366, Marlette Lake. The Marlette Lake Water System supplied water to Carson City and portions of Storey County. This budget was funded through raw water sales to Carson City and Storey County.

There were no major closing issues; however, there were seven closing items for consideration:

1. Decision unit Enhancement (E) 225 for a new water system operator position. This position was required because of modifications to the facilities and water system to meet the water distribution demands of Carson City and Storey County.
2. Decision unit E-226 to fund snowmobile operator safety training for two water system operators.
3. Decision units E-500 and E-900 for transfer of costs of an existing 0.25 full-time-equivalent (FTE) water operator position from Buildings and Grounds, BA 1349 to BA 1366.

4. Decision units E-710, E-711, and E-712 for replacement equipment, including a new pickup truck, a pipe locator, two portable generators, one air compressor with hose, one warehouse door opener, and miscellaneous tools.
5. Decision unit E-721 for uniform allowance and the purchase and installation of a truck bumper winch. A technical adjustment was made to remove duplicated costs of \$1,442 in fiscal year 2017, with an equal amount placed in reserve. In addition, decision unit E-722 provided for the purchase of a used backhoe.
6. Decision unit E-902 for the transfer of the Marlette Lake House maintenance and utility costs from BA 1366 to Buildings and Grounds, BA 1349.
7. Decision units Maintenance (M) 800, E-800, E-801, E-804 for adjustments to the departmental cost-allocation expenditures.

Fiscal Analysis Division staff suggested this budget be closed as recommended by the Governor, with the technical adjustments noted by staff and with authority to make other technical adjustments as necessary.

Assemblywoman Titus was curious about the water rate increase from \$0.55 per 1,000 gallons to \$0.75 per 1,000 gallons scheduled to take effect on July 1, 2015. She was unaware of who had made the decision for a rate increase.

Gustavo Nuñez, P.E. (Professional Engineer), Administrator, State Public Works Division, Department of Administration, explained there were quarterly public meetings for both Carson City and Storey County to discuss the needs of the facilities and determine the rates. Over the years, the rates had both increased and decreased.

Assemblywoman Titus asked whether the rates were negotiated with the municipalities or with individuals in the communities.

Mr. Nuñez responded that the rates were discussed in a technical committee and the proposal was presented to the counties. The technical committee requested increasing the rate over time. Therefore, one increase was instituted July 1, 2014, and the second would take effect on July 1, 2015. The counties requested 90-day notification prior to rate increases and that rate increase decisions be made prior to December to allow time to be included in the budget cycle.

Considering the current drought situation, Assemblywoman Titus inquired whether the State Public Works Division (SPWD) was involved in long-term planning.

Mr. Nuñez said that the SPWD was included in those discussions. The SPWD had performed a survey and provided Carson City and Storey County with projections. It appeared, based on the snow pack in the Marlette Lake basin, there would not be as much water available as in past years. In the past during drought situations, Marlette Lake continued to refill to the rim of the dam. However, it appeared that would not be the case this year. Both Carson City and Storey County had been notified of the situation.

Other than increasing the rates for the water, Assemblywoman Titus asked what other stewardship was available for conservation.

Mr. Nuñez replied that a variety of things needed to be accomplished. Maintenance needs had been neglected in the Marlette Lake area. Improvement programs were discussed and items had been prioritized with the water users. Additionally, some of the deferred maintenance would improve the resources by capturing more runoff, thus allowing less bypass.

Assemblyman Edwards was curious to know why the water users would agree to a 60 percent increase.

Mr. Nuñez explained that the system at Marlette Lake had last been improved in the 1930s.

Assemblyman Edwards said he understood the need for improvements; however, there was a 60 percent cost increase. It was curious to him why anyone would agree to such a significant increase.

Mr. Nuñez pointed out that even with the increase, the cost of the water was a bargain.

Assemblywoman Kirkpatrick requested Mr. Nuñez provide some historical information to the Committee.

Mr. Nuñez responded that the water system was on the National Register of Historic Places. Many pipes were built in the late 1800s and were still being used. Some upgrades were in place, but there was still much to be done. Marlette Lake was the only source of water for Storey County. The flume that collected the water on the east side of the slope was partially above ground. In some cases, it bridged draws. There was also the potential for rockslides and

falling trees. A major repair in the winter would be extremely expensive, so preventive maintenance seemed to be the best course. Mr. Nuñez suggested taking the Committee on a field trip to Marlette Lake.

Assemblyman Kirner recalled that Mr. Nuñez had presented the water project improvements to the Interim Finance Committee during the interim. He asked whether these were the same improvements Mr. Nuñez was referencing. Assemblyman Kirner said he was impressed with the improvements and had no problem approving the budget.

Mr. Nuñez confirmed the improvements were the same. There had been improvements to the pumping system, the drains, and the generator.

Assemblyman Sprinkle was also impressed with the job Mr. Nuñez had done with the water system. This was the sole water system for Carson City and parts of Storey County. Comparable water systems were much more expensive to operate. He agreed the budget should be approved.

Assemblyman Oscarson commented that from what he had heard and read, the improvements were impressive and Mr. Nuñez had done a good job.

Assemblywoman Titus was familiar with Marlette Lake and the terrain. Because this was the sole water source for Carson City and Storey County, she was curious whether Mr. Nuñez had a domestic terrorism plan in place to protect the water source.

Mr. Nuñez replied that there had been many discussions with the Office of Homeland Security, Division of Emergency Management, Department of Public Safety and other water resource managers. The SPWD was involved with an association of rural water companies. There were a variety of situations discussed and many inspections and contingency plans had been made.

Assemblywoman Benitez-Thompson agreed that a 60 percent rate increase seemed to be significant, but she was uncertain whether this would be a one-time increase.

Mr. Nuñez contended that a ten-year projection had been performed and he believed the 60 percent increase would be sufficient for the next ten years.

Assemblywoman Carlton inquired what the discussion process had been for the new water system operator position in decision unit E-225.

Mr. Nuñez explained that there was a variety of reasons for the need. Currently there were two FTE positions to manage the water system, which was a 24/7 operation. There were times when someone was not available, and having only one person to perform maintenance in a remote area was a serious concern. In addition, there was a rise in the workload as the maintenance level increased. The additional position would result in an overtime reduction.

Chair Anderson asked whether this was restoration of a position that had been cut or a new position.

Mr. Nuñez replied that this was a new position.

Assemblywoman Dickman was curious to know why the safety training in decision unit E-226 was so expensive.

Mr. Leiser advised it was a four- to five-day training course for two positions and was quite intensive.

There being no further comments or questions, Chair Anderson requested a motion to approve the budget.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE BUDGET ACCOUNT 1366 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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FINANCE & ADMINISTRATION

DEPARTMENT OF ADMINISTRATION

ADMINISTRATION - NSLA - NEVADA STATE LIBRARY (101-2891)

BUDGET PAGE ADMIN-224

Leannandra Copeland, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 2891, Nevada State Library. The Division of State Library and Archives (NSLA), Department of Administration, provided a range of information services to state agencies,

public libraries, and the general public. The NSLA also provided leadership, grants, and development services to Nevada's local libraries. There were no major closing issues in this budget; however, there were six other closing items:

1. Decision unit Enhancement (E) 903 to transfer 841 square feet of space from this budget, reducing the State General Fund appropriations by \$9,656 in each year of the biennium. This was associated with four positions recommended to be housed under a new Grants Office budget account (BA1341). Fiscal Analysis Division staff recommended approval of this decision unit if the Committee approved the creation of the Grants Office budget account.
2. Decision unit E-228 for out-of-state training. This decision unit would allow staff to attend the Best Practices Exchange conference and the Society of American Archivists conference. According to the agency, the conferences allowed staff to stay current in knowledge of governmental publication distribution and state data center processes. The recommendation appeared reasonable to Fiscal Analysis Division staff.
3. Decision unit E-230 for in-state travel and training consultation services to statewide libraries. Past funding had been inadequate to reach the rural libraries and those in the Clark County area. This recommendation appeared reasonable to Fiscal Analysis Division staff.
4. Decision unit E-710 for replacement of equipment. The replacement of this equipment was based on a five-year schedule. Following discussions with the agency, it was determined that the equipment would not be five years old until fiscal year (FY) 2017. This recommendation appeared reasonable to Fiscal Analysis Division staff, with the adjustment to delay the equipment replacement until FY 2017.
5. Decision unit E-711 was for the replacement of five microfilm scanner machines. The scanners were connected to computers operating off the Microsoft Windows XP operating system and were not compatible with the Microsoft Windows 7 operating system. This recommendation appeared reasonable to Fiscal Analysis Division staff.
6. Decision units E-801 and E-804 contained adjustments to the cost allocation. This recommendation appeared reasonable to Fiscal Analysis Division staff.

Fiscal Analysis Division staff recommended approval of all closing items as recommended by the Governor with technical adjustments as suggested by staff for other closing items numbers 1 and 4. Fiscal Analysis Division staff also requested authority to make technical adjustments as necessary.

Assemblyman Armstrong asked whether there was a requirement to use microfilm scanners as detailed in decision unit E-711.

Daphne DeLeon, Administrator, Division of State Library and Archives, Department of Administration, explained that the microfilm scanners were to access the microfilm collections stored at NSLA. The microfilm contained such items as early statehood publications and early Nevada Supreme Court cases. The newspapers throughout the state were currently microfilmed. Digitizing was performed selectively based on need. Microfilming continued because it reduced the amount of storage required for the materials and was a proven preservation medium.

Assemblyman Armstrong inquired whether Ms. DeLeon believed the microfilm demanded less storage space than a computer hard drive.

Ms. DeLeon responded that microfilm was smaller than the analog newspapers or publications. She said she was referring to physical size and not to digital size.

Assemblyman Armstrong questioned whether there had been discussions about converting to a digital storage system rather than microfilm storage.

Ms. DeLeon acknowledged that there had been discussions, and she had looked into a digital preservation solution. The NSLA had been selectively digitizing materials and wanted to ensure there was a solution for safeguarding stored items in perpetuity.

Assemblyman Armstrong inquired whether microfilm could be viewed online or whether it was necessary to be on-site to view the materials.

Ms. DeLeon said that it was necessary to be on-site to use microfilm; however, digitizing the information would allow for online availability.

Assemblywoman Swank was curious to know whether digitizing was more expensive than microfilming documents.

According to Ms. DeLeon, there were cost savings using microfilm versus digital storage. The savings applied to official state records. Initial studies showed

that if there was an official state record that required storing for more than ten years, it was cheaper to microfilm rather than store digitally.

There being no additional comments or questions, Chair Anderson requested a motion to approve the budget.

ASSEMBLYMAN OSCARSON MOVED TO APPROVE BUDGET ACCOUNT 2891 AS RECOMMENDED BY THE GOVERNOR, INCLUDING THE TECHNICAL ADJUSTMENTS FOR ITEMS 1 AND 4 PROPOSED BY FISCAL STAFF AND AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN CARLTON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - NSLA - ARCHIVES AND RECORDS (101-1052)
BUDGET PAGE ADMIN-230

Leandra Copeland, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 1052, Archives and Records. The Division of State Library and Archives (NSLA), Department of Administration, administered programs for the creation, maintenance, retention, preservation, and disposition of records. It also housed the imaging and preservation services program that provided digital image and microfilm capture of essential government documents. There were no major closing issues; however, there were four other closing items:

1. Decision unit Enhancement (E) 227 provided an increase in out-of-state travel, allowing four trips to two conferences. This permitted staff to stay current and knowledgeable in electronic records management and preservation. The agency reported it had received an increase in questions related to e-records. This recommendation appeared reasonable to Fiscal Analysis Division staff.

2. Decision unit E-228 provided an increase in in-state travel to allow training at rural libraries and those within the Clark County area. This recommendation appeared reasonable to Fiscal Analysis Division staff.
3. Decision unit E-710 was for the replacement of equipment. Following discussions with the agency, the equipment was not due for replacement until fiscal year (FY) 2017. Therefore, a technical adjustment was necessary. This recommendation appeared reasonable to Fiscal Analysis Division staff after the adjustment to delay the replacement of equipment until FY 2017.
4. Decision units E-801 and E-804 provided a cost-allocation adjustment. This recommendation appeared reasonable to Fiscal Analysis Division staff.

Ms. Copeland informed the Committee that Assembly Bill (A.B.) 135 required the NSLA to develop training concerning the retention and disposition of official state records. If the bill was approved, the NSLA indicated that one additional position would be necessary to support the effort.

Fiscal Analysis Division staff suggested all other closing items be closed as recommended by the Governor, with the adjustment noted in other closing item number 3. Fiscal Analysis Division staff requested authority to make technical adjustments if A.B. 135 was approved.

Assemblywoman Carlton verified that A.B. 135 would be delivered to the Assembly Committee on Ways and Means and held until all positions were approved. At that time, the technical adjustments would be made.

There being no additional comments or questions, Chair Anderson requested a motion to approve the budget.

ASSEMBLYMAN EDWARDS MOVED TO APPROVE BUDGET ACCOUNT 1052 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL STAFF TO MAKE THE RECOMMENDED TECHNICAL ADJUSTMENT AND OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - NSLA - CLAN (101-2895)
BUDGET PAGE ADMIN-236**

Leannandra Copeland, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 2895, Cooperative Libraries Automation Network (CLAN). The CLAN was a consortium of libraries and related agencies that shared library and technological resources.

There were no major closing issues in this budget; however, there was one other closing item.

Decision unit Enhancement (E) 804 was a Governor-recommended net increase in county participation funds of \$138 over the biennium. This recommendation appeared reasonable to Fiscal Analysis Division staff. Fiscal Analysis Division staff suggested this budget be closed as recommended by the Governor and requested authority for Fiscal Analysis Division staff to make technical adjustments as necessary.

There being no comments or questions, Chair Anderson requested a motion to approve the budget.

ASSEMBLYMAN KIRNER MOVED TO APPROVE BUDGET
ACCOUNT 2895 AS RECOMMENDED BY THE GOVERNOR,
INCLUDING AUTHORITY FOR FISCAL STAFF TO MAKE
TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Benitez-Thompson was not present for the vote.)

BUDGET CLOSED.

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FINANCE & ADMINISTRATION
DEPARTMENT OF ADMINISTRATION
ADMINISTRATION - NSLA - IPS EQUIPMENT/SOFTWARE (101-1053)
BUDGET PAGE ADMIN-249

Leannandra Copeland, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, presented budget account (BA) 1053, Imaging and Preservation Services Equipment/Software. This budget funded equipment and software replacement for the Division of State Library and Archives (NSLA), Department of Administration, imaging and preservation services program.

There were no major closing issues in this budget; however, there was one other closing item in decision unit Enhancement (E) 710 for the replacement of equipment. This request appeared reasonable to Fiscal Analysis Division staff. Fiscal Analysis Division staff suggested all other closing items be closed as recommended by the Governor and requested authority to make technical adjustments as necessary.

There being no comments or questions, Chair Anderson requested a motion to approve the budget.

ASSEMBLYWOMAN DICKMAN MOVED TO APPROVE BUDGET ACCOUNT 1053 AS RECOMMENDED BY THE GOVERNOR, INCLUDING AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Benitez-Thompson was not present for the vote.)

BUDGET CLOSED.

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Assemblywoman Carlton requested Fiscal Analysis Division staff provide a report showing the final numbers once all of the technical adjustments had been made.

Chair Anderson closed the hearing for budget closings and opened the hearing for public comment. There being none, the hearing was adjourned at 9:09 a.m.

RESPECTFULLY SUBMITTED:

Linda Blevins
Committee Secretary

APPROVED BY:

Assemblyman Paul Anderson, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: March 30, 2015

Time of Meeting: 8:06 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster