

**MINUTES OF THE MEETING OF THE  
SENATE COMMITTEE ON FINANCE  
AND  
ASSEMBLY COMMITTEE ON WAYS AND MEANS  
SUBCOMMITTEES ON PUBLIC SAFETY, NATURAL RESOURCES AND  
TRANSPORTATION**

**Seventy-Eighth Session  
February 24, 2015**

The meeting of the Subcommittees on Public Safety, Natural Resources and Transportation of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Pete Goicoechea at 8:03 a.m. on Tuesday, February 24, 2015, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, 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 COMMITTEE MEMBERS PRESENT:**

Senator Pete Goicoechea, Chair  
Senator Mark A. Lipparelli  
Senator David R. Parks

**ASSEMBLY COMMITTEE MEMBERS PRESENT:**

Assemblyman Chris Edwards, Chair  
Assemblyman John Hambrick, Vice Chair  
Assemblywoman Maggie Carlton  
Assemblywoman Jill Dickman  
Assemblyman Michael C. Sprinkle  
Assemblywoman Robin L. Titus, M.D.

**STAFF MEMBERS PRESENT:**

Mark Krmpotic, Senate Fiscal Analyst  
Stephanie Day, Principal Deputy Fiscal Analyst  
Jennifer Gamroth, Program Analyst  
Emily Cervi, Committee Assistant  
Trish O'Flinn, Committee Secretary

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 2

**OTHERS PRESENT:**

Kay A. Scherer, Deputy Director, State Department of Conservation and Natural Resources  
Jim Lawrence, Special Advisor to the Director, State Department of Conservation and Natural Resources  
Leo M. Drozdoff, P.E., Director, State Department of Conservation and Natural Resources  
Tim Rubald, Program Manager, Conservation Districts Program, State Department of Conservation and Natural Resources  
Bob Roper, State Forester, Division of Forestry, State Department of Conservation and Natural Resources  
Dave Prather, Deputy Administrator, Division of Forestry, State Department of Conservation and Natural Resources  
Charles Donohue, Administrator, Division of State Lands, and State Land Registrar, State Department of Conservation and Natural Resources  
Kat Miller, Colonel, U.S. Army (Retired), Executive Director, Department of Veterans Services  
Mark McBride, M.H.A., Administrator, Nevada State Veterans Home, Department of Veterans Services  
Amy Garland, Administrative Services Officer, Department of Veterans Services  
Mike Musgrove, Nevada Veterans Services Commission

**Chair Goicoechea:**

We will start the hearing with the State Department of Conservation and Natural Resources (DCNR) budget account (B/A) 101-4150.

**INFRASTRUCTURE**

**CONSERVATION AND NATURAL RESOURCES**

DCNR - Administration — Budget Page DCNR-22 (Volume III)  
Budget Account 101-4150

**Kay A. Scherer (Deputy Director, State Department of Conservation and Natural Resources):**

There are two major areas in budget account B/A 101-4150: the Director's Office and the statewide Sagebrush Ecosystem Program. The Director's Office provides leadership, direction and administrative support to the Department's agencies to assist them in offering the best possible service to the public. I will refer to the document titled "DCNR Administration Budget Hearing " ([Exhibit C](#)) throughout the presentation. The revenue for the Director's Office is 66 percent General Fund allocation, 23 percent cost allocation and 11 percent transfers. As noted on page 5 of [Exhibit C](#), 78 percent of the expenditures in the Director's Office are for personnel, 13 percent are for information services (IT), and the remaining 9 percent are travel and operating expenses.

Eleven years ago, the Director's Office had 13 staff, but during the Great Recession, staff was reduced to 6 full-time equivalent (FTE) positions. Last Legislative Session, two FTE were added back to the office. This biennium, we are requesting the return of an unclassified executive assistant position in E-225 at a cost of \$77,450 for fiscal year (FY) 2016 and \$76,543 for FY 2017.

E-225 Efficient and Responsive State Government — Page DCNR-24

Enhancement unit E-227 requests funds for additional out-of-state and in-state travel for the Director's Office. The Director makes five trips to Washington, D.C.; one to Sacramento, California; four to Denver, Colorado for the Sage Grouse Task Force; and two to other Western states. The total cost is \$2,397 for each year of the biennium.

E-227 Efficient and Responsive State Government — Page DCNR-25

In-state and out-of-state travel funding for the Deputy Director is requested in E-228 for \$7,635 each year of the biennium.

E-228 Efficient and Responsive State Government — Page DCNR-25

Enhancement unit E-710 requests a Microsoft Office upgrade and the constituent management software in use by the Executive Branch at a cost of \$5,112 for FY 2016 and \$4,782 in FY 2017.

#### E-710 Equipment Replacement — Page DCNR-27

The Director's Office has been commended for its efficient IT practices. However, we do need improvements to the shared server environment to meet the State's disaster recovery requirements and to bring warranties up to date. The Department-wide need is requested in E-801, and then cost allocated to the various agencies based on a detailed calculation of percentage of use. The cost is \$75,810 in FY 2016.

#### E-801 Cost Allocation — Page DCNR-27

Enhancement unit E-900 transfers the special advisor to the Director from the Division of State Lands, B/A 101-4173, to the Director's Office as a Deputy Director. The companion enhancement unit in B/A 101-4150, E-500, changes the funding source for this position to a combination General Fund allocation and Director's cost allocation. The total cost is \$134,864 for FY 2016 and \$134,114 for FY 2017.

#### E-900 Transfer From BA 4173 To BA 4150 — Page DCNR-29

#### E-500 Adjustments To Transfer For E-900 — Page DCNR-26

#### DCNR – State Lands — Budget Page DCNR-125 (Volume III) Budget Account 101-4173

Enhancement unit E-806 is a request to change the special advisor to the Director to an unclassified Deputy Director and funds the salary adjustment of both Deputy Director positions commensurate with the correct unclassified tier placement. The cost is \$579 in FY 2016 and \$1,056 in FY 2017.

#### E-806 Unclassified Position Salary Increases — Page DCNR-27

The next item in B/A 101-4150 is the Sagebrush Ecosystem Program budget initiative.

**Jim Lawrence (Special Advisor to the Director, State Department of Conservation and Natural Resources):**

The sagebrush ecosystem is the largest ecosystem in Nevada. It encompasses millions of acres and faces multiple threats: catastrophic wildfire, invasive species and the conservation of the greater sage grouse. The greater sage grouse is a species found in 11 Western states. In October 2015, the U.S. Fish and Wildlife Service (USFWS) will make a determination whether or not to list the species as endangered. The U.S. Bureau of Land Management (BLM) and the U.S. Forest Service (USFS) will issue their final, environmental impact statement this spring for their land use plans regarding the greater sage grouse. Because most of Nevada is federally managed, those land use decisions will have consequences affecting ranching, mining, renewable energy, outdoor recreation and local communities. The Sagebrush Ecosystem Council and Sagebrush Ecosystem Technical Team were established by A.B. No. 461 of the 77th Session to establish and carry out a long-term system and strategies for conservation of the greater sage grouse and sagebrush ecosystem. This is a multidisciplinary, interagency initiative that includes several divisions of DCNR, the Department of Wildlife (NDOW) and the State Department of Agriculture.

The Council and Technical Team unanimously adopted a State Plan to achieve their mission and goals. The Plan includes adaptive management using the best available science and the creation of a credit program to mitigate damage to the sagebrush ecosystem. The conservation credit system may be used both as a habitat quantification tool, while encouraging habitat restoration work in the most important areas. The next steps are to implement the strategic action plan, ensure project implementation and demonstrate the regulatory certainty and assurances the USFWS will use as part of their endangered species listing decision.

The Sagebrush Ecosystem Program accounts for 56 percent of the expenditures in B/A 101-4150. Page 15 of [Exhibit C](#) contains a table listing the major components of the program that will be detailed throughout the presentation. The various requests are contained in one enhancement unit, E-851. The total request for FY 2016 is \$1,454,970 and for FY 2017 is \$1,453,970.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 6

The first line item of E-851 is a request for \$1 million each year of the 2015-2017 biennium for habitat project work and the capitalization of the conservation credit system. This one-time funding infusion will accomplish on-the-ground habitat improvements. The credits generated from these projects can be used to capitalize the credit system and be potentially sold to generate revenue for additional habitat improvement work.

**Chair Goicoechea:**

How will the conservation credit system work? How much habitat restoration can \$1 million buy?

**Mr. Lawrence:**

There is a significant amount of work required in the sagebrush ecosystem, and \$1 million is not enough to fund all the work required. However, it does highlight the State's commitment to the USFWS. We have been told that plans are not enough, progress must be shown. In addition, it will be used for immediate habitat restoration projects. Pinion-juniper encroachment into the sagebrush ecosystem is a serious threat. Science has indicated that mitigating pinion-juniper encroachment results in an immediate gain to the sage grouse habitat. Meadow enhancement and restoration projects will also create quick improvement to the habitat. The Council will prioritize these types of projects. The conservation credit system is a mitigation system that rewards good habitat conservation work in the right areas by generating credits that can be used to offset disturbances on the landscape. It is a market-based system. When the credits are transferred, they will generate revenue back to the Program to be used for additional restoration projects.

**Assemblywoman Titus:**

Is there a breakdown showing where the \$1 million will be allocated? Which meadow will be restored, or which stand of pinions and junipers will be cut down?

**Mr. Lawrence:**

There is not a specific breakdown of projects in the budget request. The prioritization of projects will be determined by the Council. Currently, the Council is working on creating a strategic action plan that will be geographically based among the different regions in the ecosystem. Within those geographic

areas, projects will be chosen based on two criteria: the projects with the greatest impact per expenditure and the projects that are the fastest to implement.

**Assemblywoman Titus:**

Has money already been spent on this? In the bi-state area of California and Nevada, there has already been pinion-juniper destruction and management. The cost of these projects is known.

**Mr. Lawrence:**

The bi-state plan and list of projects have been identified as a model for the greater sage grouse ecosystem. However, it is premature to start the projects and prioritization in advance of the BLM decision. The cost for project restoration work in the greater sage grouse ecosystem has been estimated at almost \$1 billion by the USFWS.

**Assemblywoman Titus:**

Is it practical to allocate \$1 million to a project that large? Will that amount of funding make an impression on the federal government?

**Mr. Lawrence:**

You are correct; \$1 million is not enough for the need that exists. The intent is the conservation credit system will generate more money by seeding the bank with credits that can be sold to generate additional revenue for further restoration. The State is not the only participant. The federal government has money in its budget for habitat restoration as well.

**Leo M. Drozdoff, P.E. (Director, State Department of Conservation and Natural Resources):**

It is important to emphasize that the State is not the only participant and is not the major player. The federal government and private industry, whether mining companies, energy developers or others, will be the primary players. The \$1 million ensures liquidity in the market to fund projects quickly and to show the State's leadership. The bi-state sagebrush ecosystem restoration effort has been on the leading edge of this effort. The greater sagebrush ecosystem restoration plans are about 2 years behind the bi-state plan.

**Assemblyman Sprinkle:**

Throughout the Department's budget request, it is stated that monies that have been 75 percent non-General Fund appropriations will become 100 percent General Fund appropriations. Why is that occurring? How will this proposed budget differ based upon the decisions made by USFWS and BLM?

**Ms. Scherer:**

Late in calendar year (CY) 2013, the Council and Technical Team were formed under the auspices of the Department through a directive from the Interim Finance Committee. Because it was during the Interim, several agencies identified one-time funding sources so the Program could be started. The intention has always been, however, for this to be a General Fund-supported program. The purpose for this funding is to demonstrate the State's commitment, capacity and capability to support the health of the sagebrush ecosystem and conservation of the sage grouse.

**Mr. Drozdoff:**

The body created in CY 2013 was the Sagebrush Ecosystem Council, not the Sage Grouse Ecosystem Council. The conservation of the sage grouse is an acute issue, but it is not the only issue. The intent and recommendation of DCNR and the Administration are to continue the conservation efforts on the prairie indefinitely.

**Chair Goicoechea:**

This is truly about habitat, not a single species in the habitat. Please explain the significant increase in funding for in-state and out-of-state travel for the Technical Team.

**Mr. Lawrence:**

The Council meets at least monthly, and the meetings often last 2 days. Additionally, much of the travel is to rural communities, which takes 3 days because of significant travel time.

**Chair Goicoechea:**

Does the 1-year Congressional moratorium before the sage grouse can be listed still exist?



Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 9

**Mr. Drozdoff:**

That is correct as far as I know, although I am not going to speak for the federal government.

**Chair Goicoechea:**

What are the projected responsibilities for the second deputy director?

**Ms. Scherer:**

At one time, there was a second deputy director for DCNR in statute. When some programs were changed, that deputy was removed from statute. The request for a second deputy reflects responsibilities that have been added to the Department: the State Historic Preservation Office, the Sagebrush Ecosystem Program and a tremendous amount of work related to Lake Tahoe. Due to the increased and varied workload, DCNR requests the Special Advisor position be changed to a Deputy Director.

**Chair Goicoechea:**

Is the out-of-state travel for the new deputy director position because Lake Tahoe planning and meetings that sometimes occur on the California side of the Lake?

**Ms. Scherer:**

Travel for the second deputy includes 24 trips to Lake Tahoe because that person is vice-chair of the Tahoe Regional Planning Agency governing board. Those meetings are often held over a 2-day period. There are also trips to Reno because all the federal agency partners are headquartered in Reno.

**Chair Goicoechea:**

The Executive Budget recommends these resource protection projects and programs will be funded with \$6.5 million in general obligation bonds. Will these requests be General Fund appropriations?

**Ms. Scherer:**

Yes. The Department has \$5 million in bonding capacity for FY 2014 and FY 2015. It has been an Executive Branch policy, supported by the Legislature for many years, to fund the resource efforts in the State with bond funds.

**Chair Goicoechea:**

Some of the other Western states within the sagebrush ecosystem have set aside funds for potential legal fees related to the sage grouse. Has the Department considered a similar contingency?

**Mr. Drozdoff:**

The resource management plan will be released by the BLM in late spring. There will then be greater clarity of the issues. We are currently in a state of flux. Creating a legal fund sends the message the State is antagonistic. We are working toward finding a path forward that will both protect the ecosystem and support the State's economy.

**Mr. Lawrence:**

The table on page 24 of [Exhibit C](#) is an overview of the Sagebrush Ecosystem Program. Many of the components of the Program are in B/A 101-4150, but there are items in other budget accounts, including Conservation Districts, B/A 101-4151.

DCNR - Conservation Districts Program — Budget Page DCNR-34 (Volume III)  
Budget Account 101-4151

**Ms. Scherer:**

The majority of the expenditures in B/A 101-4151 are personnel related. For the first time in the history of the State, there are four professional staff members in this program: a program manager, a forester, a rangeland specialist and a wildlife biologist. Two biennia ago, the Conservation Districts Program was proposed for elimination due to the severe economic downturn. While it was not eliminated, there was no funding for operations or travel. Enhancement unit E-225 is a request to fund additional travel for the individuals on the State Conservation Commission, the Conservation Districts Program manager to attend program-related and district meetings throughout the State and provide direct supervision to the three regional specialists. The cost of E-225 is \$16,662 in both FY 2016 and FY 2017.

The Legislature in the 77th Session created a competitive grant pool. Enhancement unit E-350 is a request to increase the grant pool from \$40,000 to \$75,000: with an addition of \$35,000 in FY 2017. These are competitive grants for work done primarily in the sagebrush ecosystem.

E-350 Safe and Livable Communities — Page DCNR-36

An increase in pass-through allocations to the 28 conservation districts is requested in E-351. This is the traditional stipend the State has allocated to the conservation districts for decades. Before the Great Recession, the amount was \$5,000 per district. That was reduced to \$2,500 during the downturn. Last biennium it was brought back to \$3,500. Approval of E-351 is an increase of \$500 for each district to total \$4,000. The cost for each year of the biennium is \$14,000.

E-351 Safe and Livable Communities — Page DCNR-37

Enhancement unit E-710 requests funds to replace laptops for two of the three regional specialists whose work is in rugged field conditions. The cost would be \$2,812 in FY 2017 only.

E-710 Equipment Replacement — Page DCNR-37

Funding for in-state travel in support of rural outreach and project work by the three regional specialists relating to the Sagebrush Ecosystem Program is requested in E-851. The cost is \$3,741 in both FY 2016 and FY 2017.

E-851 Special Projects — Page DCNR-38

Enhancement unit E-852 funds the revenue change from State agency funding sources to a General Fund appropriation for DCNR's three conservation specialist positions. The cost is \$180,018 in FY 2016 and \$130,426 in FY 2017.

E-852 Special Projects — Page DCNR-38

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 12

**Assemblywoman Carlton:**

Why are the federal receipts and transfers from NDOW and the Division of Minerals being eliminated from this budget account? What will those revenues be used for?

**Ms. Scherer:**

The federal receipts were a one-time grant from the U.S. Department of Agriculture's Natural Resources Conservation Service; the grants funds are no longer available. The Division of Minerals transferred funds from their reserve account to assist in funding the Council. The NDOW transfer was a one-time use of sportsmen's fees. The last item in the table on page 24 of [Exhibit C](#) shows the NDOW commitment of \$375,000 in both FY 2016 and FY 2017 for habitat suitability mapping for the Sagebrush Ecosystem Program.

**Assemblywoman Titus:**

Is there property tax funding for the conservation districts?

**Tim Rubald (Program Manager, Conservation Districts Program, State Department of Conservation and Natural Resources):**

There is not. The conservation districts do not have local authority to levy taxes, nor do they have any direct funding mechanism other than the stipend the State has provided.

**Assemblywoman Titus:**

Are the districts in charge of any stream maintenance efforts?

**Mr. Rubald:**

They are not in charge of stream maintenance, per se. However, many of the districts are engaged in stream maintenance projects.

**Chair Goicoechea:**

What criteria will be used for the competitive grant program in E-350?

**Mr. Rubald:**

Legislation has been proposed to clarify the differences between the competitive grants and the pass-through stipends. Regulations will be created by DCNR to

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 13

determine the order of priority for those grants based on the Commission's recommendations.

**SENATE BILL 45**: Revises provisions governing the distribution of grants of money by the State Conservation Commission to conservation districts.  
(BDR 49-361)

**Chair Goicoechea:**

Will there be a focus on sage grouse habitat?

**Mr. Rubald:**

The focus will be on shovel-ready projects in sage grouse habitat.

**Chair Goicoechea:**

The Division of Forestry (NDF) is the next item on the agenda.

**Bob Roper (State Forester, Division of Forestry, State Department of Conservation and Natural Resources):**

The Nevada Division of Forestry (NDF) provides professional natural resource and fire services to enhance and protect forest, rangeland and watershed values; conserves endangered plants; and assists in providing statewide fire protection and emergency management. The NDF budget is comprised of both General Fund appropriations and non-General Funds in the form of grants from federal partners.

Beginning in CY 2011, NDF began implementing the transition from all-risk fire districts to wildland-only fire districts. The transition is nearly complete. Clark County is the most recent district to make the change; the Clark County Board of Commissioners voted last week to make the transition. The first budget account will be Forestry Administration, B/A 101-4195.

DCNR - Forestry — Budget Page DCNR-79 (Volume III)  
Budget Account 101-4195

**Dave Prather (Deputy Administrator, Division of Forestry, State Department of Conservation and Natural Resources):**

Enhancement unit E-350 is a General Fund appropriation to backfill revenue lost from counties that have transitioned, or are transitioning, out of NDF's All-Risk Fire Protection Services Program. The General Fund appropriation will hold NDF harmless as the fire districts return to services provided by their respective home counties. The request for this decision unit is \$149,054 in FY 2016 and \$149,131 in FY 2017.

**E-350 Safe and Livable Communities — Page DCNR-87**

A request to fund the replacement of the deputy state forester position with an operations chief is in E-225. The operations chief will manage and coordinate the Wildland Fire Protection Program, the Conservation Camp Program, the Aviation Program and the Natural Resource Program. The cost is \$77,050 in FY 2016 and \$100,384 in FY 2017.

**E-225 Efficient and Responsive State Government — Page DCNR-84**

Enhancement unit E-226 requests funds for a geospatial information services (GIS) position to manage and coordinate GIS services for the Wildland Fire Protection Program, Conservation Camp Program, Aviation Program and Natural Resources Program. The cost for this position is \$89,636 in FY 2016 and \$102,030 in FY 2017.

**E-226 Efficient and Responsive State Government — Page DCNR-85**

Enhancement unit E-228 funds an equipment mechanic position to assist with the maintenance and repair of NDF's fleet of heavy equipment and vehicles statewide. The cost is \$51,116 in FY 2016 and \$65,107 in FY 2017.

**E-228 Efficient and Responsive State Government — Page DCNR-85**

Enhancement unit E-230 changes the funding source for the NDF's seasonal firefighters from federal funding to a General Fund appropriation. This change is necessary due to elimination by USFS of the federal grant funding after this biennium. The cost is \$255,120 in FY 2016 and \$266,076 in FY 2017.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 15

E-230 Efficient and Responsive State Government — Page DCNR-86

Training for wildland firefighting to meet minimum National Wildland Coordinating Group standards is requested in E-235. The cost is \$25,000 in FY 2016 and \$50,000 in FY 2017.

E-235 Efficient and Responsive State Government — Page DCNR-87

**Chair Edwards:**

Why is the federal funding being eliminated?

**Mr. Prather:**

There are two grant fund pools from the USFS: one is the Humboldt-Toiyabe National Forest Grant, the other is the Consolidated Payment Grant. Federal funding for both grants has been substantially reduced.

**Chair Edwards:**

Is the State going to lose \$760,000 from these grants?

**Mr. Prather:**

Yes, our grant amount will be reduced. Federal appropriations have yet to be made so we do not know the exact amount.

**Chair Edwards:**

Are there other grant opportunities for NDF?

**Mr. Prather:**

Yes, there are competitive grant opportunities.

**Chair Edwards:**

Does NDF have sufficient grant writers on staff to pursue these opportunities?

**Mr. Prather:**

Yes.

**Assemblywoman Titus:**

How many helicopters does NDF have?

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 16

**Mr. Prather:**

The NDF has three helicopters and enough personnel to keep two flying, 5 days a week. Enhancement unit E-240 in B/A 101-4194 requests funding for an additional full-time helicopter pilot to increase NDF's ability to have two helicopters in the air 7 days a week.

DCNR - Forestry - Wildland Fire Protection Prgm — Budget Page DCNR-108  
(Volume III)  
Budget Account 101-4194

E-240 Efficient and Responsive State Government — Page DCNR-110

**Assemblywoman Titus:**

Where are the helicopters staged?

**Mr. Prather:**

They are staged in Minden.

**Assemblywoman Titus:**

Is there any duplication of service with the BLM, federal firefighters and the NDF all at the same place?

**Mr. Prather:**

The USFS and BLM have resources, as does NDF. Firefighting in the State is a cooperative effort. Resources are positioned to cover the most value at-risk with the pre-positioning of resources.

**Assemblywoman Titus:**

What will the three new positions in E-225, E-226 and E-228 be doing?

**Mr. Prather:**

The operations chief replaces the deputy forester lost during the transition from All-Risk firefighting operations to wildland firefighting operations. The GIS position in E-226 was previously funded through a grant, but the demands for the position evolved beyond the bounds of a single program. Work is necessary during the fire season to map the fires, assist with cost allocation and report through the Conservation Camp Program as well as the rest of the Division. The



equipment mechanic in E-228 is a position that was eliminated in the 75th Session during the Great Recession. With the aging heavy equipment and vehicle fleet, it is necessary to return this position to NDF to extend the useful life of our vehicles.

**Assemblyman Sprinkle:**

The positions in E-230 are described as critical during fire season. What is the nature of these positions?

**Mr. Prather:**

As the NDF transitions away from the All-Risk model, we will be left with only 17 full-time firefighting positions. During the summer, additional staff is hired to operate the heavy equipment and supplement the firefighting efforts. Without these temporary staff increases during fire season, NDF would not have enough qualified personnel to effectively manage fires.

**Assemblyman Sprinkle:**

There is a significant amount of funding requested for training in E-235. Is this in addition to the extensive in-house training the NDF offers?

**Mr. Prather:**

The in-house training and collaborative efforts with the BLM, the USFS and local fire departments, are not included in E-235. Due to the retirement of three bulldozer operators this year, funding is requested for Fire Line Leadership training held in Boise, Idaho as well as bulldozer and engine academies. We currently do not have any bulldozer operators. The bulldozer is one of the most effective tools in fighting rangeland fires. With fire season approaching, we need to schedule this nonrecurring, high-dollar training.

**Chair Goicoechea:**

Why are there no administrative support costs assessed to the Wildland Fire Protection Program?

**Mr. Prather:**

As the Wildland Fire Protection Program was created, the State's contribution was determined to be administrative support and aviation. The counties' support was the professional firefighting positions held in that budget account.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 18

**Chair Goicoechea:**

How many FTEs are included in B/A 101-4194?

**Mr. Prather:**

Including seasonal positions, there are 24 FTEs.

**Chair Goicoechea:**

The next budget account is Forest Fire Suppression, B/A 101-4196.

DCNR - Forest Fire Suppression — Budget Page DCNR-95 (Volume III)  
Budget Account 101-4196

**Mr. Prather:**

Through fire management assistance grants (FMAG), enhancement unit E-226 provides funding for prior year firefighting claims and federal reimbursement authority to receive and process federal fire reimbursements. There is also a \$2.5 million General Fund appropriation in both FY 2016 and FY 2017 in support of fire suppression and emergency response activities.

E-226 Efficient and Responsive State Government — Page DCNR-96

**Chair Goicoechea:**

Please clarify the retroactive nature of these claims for the Subcommittees.

**Mr. Prather:**

The cost allocation and claims process occurs after completion of fire suppression. Nevada has no control over our federal partners, including the amount of time it takes for claims to be processed or adjudicated. Last fiscal year, NDF processed claims from 2007 and 2008. The General Fund appropriation of \$9,921,591 in FY 2016 is payment for the Carpenter Fire in summer 2013. The NDF is typically 1 to 2 years behind in processing of claims.

**Chair Edwards:**

Is it possible the amount is incorrect? Have those claims been adjudicated?

**Mr. Prather:**

The amount is a moving target. However, \$5 million are claims that have been fully adjudicated. The remaining \$4.5 million in FMAG is relatively firm. There are processes available for the subgrantees to appeal, so there could be minor adjustments.

**Chair Edwards:**

The people who helped put out the fires have already been paid. The question is who will pay the federal government?

**Mr. Prather:**

Yes. It is how NDF settles with the BLM and the USFS to determine who is responsible for which amounts and what adjustments need to be made.

**Chair Goicoechea:**

The next budget account is Forestry Conservation Camps, B/A 101-4198.

DCNR - Forestry Conservation Camps — Budget Page DCNR-98 (Volume III)  
Budget Account 101-4198

**Mr. Prather:**

Enhancement unit E-813, a component of the Sagebrush Ecosystem Program, requests funds to adjust the conservation camp crew supervisors' requirements and compensation to match the duties of the position. The cost is \$413,421 in FY 2017 only.

E-813 Position Upgrades — Page DCNR-101

Enhancement unit E-710 requests funds to replace IT equipment and associated software per the Enterprise Information Technology Services' replacement schedule. This request also funds replacement chainsaws. The cost is \$119,600 in FY 2016 and \$277,832 in FY 2017.

E-710 Equipment Replacement — Page DCNR-101

Enhancement unit E-711 funds the replacement of emergency firefighting equipment and vehicles at a cost of \$5,760 in FY 2016 and \$755,418 in

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 20

FY 2017. There is also a bill draft request for a one-shot appropriation for equipment replacement.

E-711 Equipment Replacement — Page DCNR-101

**BILL DRAFT REQUEST S-1223:** Makes an appropriation from the State General Fund to the Division of Forestry of the State Department of Conservation and Natural Resources for replacement emergency response and fire fighting equipment and vehicles. (Later introduced as [Senate Bill 428](#).)

Decision unit M-425 funds NDF's high priority deferred maintenance projects. These projects are focused on life and safety issues and critical asset preservation. The cost is \$266,504 in FY 2017 only.

M-425 Deferred Facilities Maintenance — Page DCNR-100

Enhancement unit E-900 transfers two conservation crew supervisor positions from the Eastern Sierra Conservation Camp, B/A 101-4198, to the Division of Forestry's Air Operations Program, B/A 101-4195, to work with the NDF's helitack section. The cost is \$129,379 in FY 2016 and \$133,134 in FY 2017.

E-900 Transfer From B/A 4198 To B/A 4195 — Page DCNR-102

**Assemblywoman Titus:**

What is the projected \$175,000 forest fire reimbursement in B/A 101-4198?

**Mr. Prather:**

When Conservation Camp crews work on fires, costs are billed and collected in B/A 101-4196. In the event of major equipment breakdowns in B/A 101-4198, that \$175,000 can be requested for transfer.

**Chair Goicoechea:**

How has retention affected the conservation crew program?

**Mr. Prather:**

Recruitment and retention of crew supervisors have a critical impact on the ability to field conservation crews. The supervisors must not only be

experienced supervising inmates, they must also have firefighting experience. To become a qualified "crew boss," the supervisors must have 2 to 3 years of fire assignments to obtain their "red cards." The constant turnover results in fewer hand crews available.

**Chair Goicoechea:**

Of the 74 crew supervisors on staff, how many currently have red cards?

**Mr. Prather:**

Approximately 40 percent of them have red cards.

**Chair Goicoechea:**

Rather than 800 men available to fight fires, there are only 300 men available due to the lack of certified supervisors.

**Assemblyman Sprinkle:**

What is a red card, and what are the requirements to earn one?

**Mr. Prather:**

The National Wildfire Coordinating Group certification process leads to the issuance of a red card which means the holder is fully qualified to perform at the specified level. Earning a crew boss red card requires a combination of classroom training and fire line experience which build on each other.

**Chair Goicoechea:**

Regarding E-900, the transfer of two conservation crew supervisors to the helitack section, what will these staff be doing off season?

**Mr. Prather:**

The Helitack Program has traditionally been supported by the Conservation Camp Program. With fewer inmates assigned to the Eastern Sierra Conservation Camp, the need for supervisors is also less. During the fire season, these supervisors would be with the helicopters. In the off-season, when there is helicopter-related rehabilitation work, they would remain with the helicopter. In the absence of work for the helicopter, the supervisors would be utilized for other fire prevention tasks such as prescribed burns and fuel reduction projects.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 22

**Chair Goicoechea:**

Would they need to have red cards?

**Mr. Prather:**

There are certification requirements specific to the helitack operations.

**Chair Goicoechea:**

The next budget account is the Wildland Fire Protection Program, B/A 101-4194.

**Mr. Prather:**

Enhancement unit E-240 requests funds for seasonal fuel truck drivers and one full-time helicopter pilot to allow two NDF helicopters to fly for wildfire initial attack and suppression 7 days a week. This request is contingent upon Clark County joining the Wildland Fire Protection Program. The cost is \$167,616 in FY 2016 and \$193,790 in FY 2017.

E-240 Efficient and Responsive State Government — Page DCNR-110

**Chair Goicoechea:**

The recommended 90-day reserve levels for the Wildland Fire Protection Program are \$1.8 million in FY 2016 and \$2.2 million in FY 2017. Why are these levels higher than in previous biennia?

**Mr. Prather:**

At the start of the year, the NDF is waiting to collect the county revenue. The 90-day reserve covers operating expenses during that period. County funds above these amounts are spent for the benefit of the counties with seasonal firefighters, equipment or operating costs.

**Chair Goicoechea:**

A 90-day reserve in the months of June, July and August would need to be higher than one in the months of October, November and December—hopefully. If the funds are in the reserve, NDF can assist the counties with training. Given the high reserve levels, why is NDF requesting General Fund appropriations to support the new pilot position and two seasonal contracted positions?

**Mr. Prather:**

The State made a commitment to aviation in the plan to change from All-Risk fire districts to wildland fire districts. Therefore, the request for General Fund appropriation has been made in the aviation sector of NDF's operations.

**Chair Goicoechea:**

Why does the position description for the new pilot indicate the pilot would fly missions for NDOW? They have helicopters of their own.

**Mr. Prather:**

They have one helicopter and one fixed-wing aircraft. The aviation programs were combined when NDOW was part of DCNR. It is a matter of resource availability as it relates to the fire season. The NDF helicopters have greater capacity than NDOW's helicopter. When NDF helicopters work for NDOW, there is a cost-share that occurs.

**Chair Goicoechea:**

Do you bill a portion of the Wildland Fire Protection Program to the aviation program, or is it all in NDF?

**Mr. Prather:**

The only items in the Wildland Fire Protection Program are the salaries and related costs of the FTEs. The existing program was in B/A 101-4195 and their fire missions run out of the fire billing account as does all fire suppression.

**Chair Goicoechea:**

Why are the costs split between two accounts?

**Mr. Prather:**

The county dollars need to be accounted for separately.

**Chair Goicoechea:**

The part-time pilot position is necessary to maintain helicopter capabilities 7 days a week. At the end of the biennium, do adjustments need to be made regarding amounts billed to NDF accounts and the counties?

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 24

**Mr. Prather:**

We closely track the money spent by county.

**Chair Goicoechea:**

Are we still focused on the strike team concept?

**Mr. Prather:**

Fire season starts early down south and works up the Sierra front. By mid- to late-summer, it migrates east across the State. The crews move as the season progresses.

**Chair Goicoechea:**

The strike teams—the bulldozers, pumpers and hand crews—will be available as the fires move north. Will you be able to meet the need given the limited availability of hand crews? How many teams do you anticipate having available?

**Mr. Roper:**

A strike team consists of five fire engines and a group leader. In our current configuration, we will only have two to three strike teams. Due to the new nature of our organization, we may assemble smaller, more agile task forces. A report that will be presented to the Legislature later in the Session details this change. It also contains a map showing that wildland fire season lasts all year. The peak of the season is summer. Assets will be moved as part of an overall risk management strategy during the peak season.

**Chair Goicoechea:**

Please present that plan to the Subcommittees when it is complete. It is important we know what the State's resources are for the protection of habitat, private property, livestock and urban areas.

**Mr. Roper:**

The report will be available in April or May and I will provide copies to the Subcommittees.

**Chair Goicoechea:**

The next item is B/A 101-4173, the Division of State Lands.



Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 25

**Charles Donohue (Administrator, Division of State Lands, and State Land Registrar, State Department of Conservation and Natural Resources):**

The mission of the Division of State Lands is to uphold the conservation and land resource values of Nevadans through responsible land-use planning, resource programs that protect and enhance the natural environment and land stewardship worthy of the lands entrusted to us. There are 20 FTEs in the Division. Revenues for the Division are approximately 62 percent General Fund appropriations and 38 percent other fund sources.

**Chair Goicoechea:**

Why is the Division requesting funding in E-250 for the Nevada Tahoe Resource Team Program manager as a General Fund appropriation rather than bond interest revenue?

E-250 Efficient and Responsive State Government — Page DCNR-130

**Mr. Donahue:**

The amount of revenue generated by the Fund to Protect Lake Tahoe/Tahoe Environmental Improvement Program bond has steadily declined.

**Chair Goicoechea:**

Will the funding source for the administrative assistant position also be changed to General Fund appropriations?

**Mr. Donahue:**

That position is currently vacant, but there is sufficient bond interest revenue to pay for this position through the second year of the next biennium.

The Division is responsible for the historical land records of the State. Enhancement unit E-711 is a request for \$50,000 in FY 2017 to update the software used for land management. This is a geospatial system that tracks permits and is used for billing.

E-711 Equipment Replacement — Page DCNR-131

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 26

**Assemblyman Sprinkle:**

The agency balance forward request in B/A 101-4173 is \$31,920, but the Governor's Recommendation is \$13,337. Can you explain the difference?

**Mr. Donahue:**

The balance forward is due to rents received from a facility in Winnemucca and services provided to the local counties for planning material. Typically, these total approximately \$13,000 a year. The \$30,000 was an accumulation of multiple years.

**Chair Goicoechea:**

We will now hear from the Department of Veterans Services (NDVS).

**Kat Miller, Colonel, U.S. Army (Retired) (Executive Director, Department of Veterans Services)**

Throughout my presentation, I will be referring to the document titled "State of Nevada Department of Veterans Services 2015 to 2017 Biennium Budget Presentation" ([Exhibit D](#)). The NDVS is responsible for giving aid, assistance and counsel to each problem, question, or situation affecting any veteran service member or his or her dependents. Our public purpose is to ensure that veterans and their families understand and have access to benefits and opportunities that improve their lives. There are changing critical needs for the NDVS, including an aging veteran population, young veterans' employment challenges, access to both information and services for rural veterans, and increasing program requirements for the growing number of women veterans. While there have been commensurate increases in services and opportunities, there are challenges in connecting veterans with these services. This budget proposes modernization of the NDVS organization and resources to meet these critical needs.

The NDVS was created in 1943. In 1947, a deputy director was added to the Department. The leadership structure has remained stagnant since that time. The mission and programming of NDVS has grown without corresponding resource growth. Currently, NDVS has four main programs: Veterans Advocacy and Support Program, Veterans Memorial Cemeteries, Veterans Skilled Nursing Homes and Community Outreach and Engagement. There are 223 FTEs, 6 of whom are headquarters staff. The Veterans Advocacy and Support Team

(VAST) has 13 FTEs and offices in Las Vegas, Reno, Elko, Pahrump and Fallon. The Veterans Memorial Cemeteries are located in Boulder City and Fernley and have 17 FTEs. The Veterans Skilled Nursing Home is located in Boulder City and has 183 FTEs. The Community Outreach and Engagement program has four FTEs with additional grant-funded, contracted support for offices in Las Vegas, Reno and Elko, as well as rural outreach teams. There are proposals to create a new cemetery in Elko and a new skilled nursing facility in Sparks.

With the addition of five new positions, the VAST has had an active biennium. The VAST assisted in the generation of over \$80 million in benefits that improve the lives of Nevada veterans. They expanded operations to county, university, college and U.S. Department of Veterans Affairs (VA) hospital locations to improve customer access. They created a partnership with Great Basin Community College to connect with rural veterans via teleconferencing. Last year, VAST conducted the State's first statewide veterans service officer (VSO) conference to improve VSO competency. Finally, they created the Nevada Veterans Advocate Program, a free online training certification course. Enrollees learn about veterans benefits and opportunities to help veterans and their families connect to services.

At the Veterans Memorial Cemeteries in Fernley and Boulder City, 42,964 veterans and family members have been interred with honor as of December 2014. Full-honor ceremonies have been conducted for unaccompanied veterans. The expansion of the Southern Nevada Veterans Memorial Cemetery was completed, funded with a federal grant of \$5.2 million. A new federal grant of \$700,845 has been awarded for expansion of the Northern Nevada Veterans Memorial Cemetery. The VA reimburses NDVS \$745 per veteran interment; these funds have been used to purchase equipment and make site improvements. Additionally, the use of turf in nonburial areas has been reduced, eliminating staff time and water needed to support these areas.

The Nevada State Veterans Home (NSVH) provides 24-hour skilled nursing care for veterans, spouses and Gold Star parents, enabling residents to proudly share a common identity and sense of community. Located in Boulder City, the NSVH was established in 2002 and has served over 14,000 veterans and spouses with a person-centered care philosophy; residents play an active role in determining how they will live. The average length of stay is 326 days. The

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 28

State Veterans Home has a volunteer program supporting residents with over 12,000 hours annually. Although fees are about half the cost of other nursing homes, the NSVH has been able to complete required upgrades without drawing on Capital Improvement Program (CIP) project funding from the State. Funding approved during the last biennium supported expanded physical therapy and restorative programs and improved interior and exterior recreational spaces. The Home has maintained a high quality of care, receiving a 4 out of 5 star rating by the Centers for Medicare and Medicaid (CMS) and recertification by the VA. The average CMS star rating is 3.1.

**Assemblywoman Titus:**

Is this a skilled nursing facility?

**Colonel Miller:**

Yes.

**Assemblywoman Titus:**

Do you receive Medicare reimbursement?

**Mark McBride, M.H.A. (Administrator, Nevada State Veterans Home, Department of Veterans Services):**

There is Medicare reimbursement through the 120 day-maximum. The recipient then uses Medicaid or private-pay sources for the remainder of the stay.

**Assemblywoman Titus:**

Medicaid also limits the number of days they will pay for skilled nursing. Does the Veterans Home have recipients who receive different types of care?

**Mr. McBride:**

There are long-term care recipients.

**Assemblywoman Titus:**

Does the facility employ physical and occupational therapists?

**Mr. McBride:**

Yes.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 29

**Colonel Miller:**

Veterans can also access pay sources such as VA benefits and other federal sources in addition to Medicare and Medicaid.

The Community Outreach Program is outlined on page 9 of [Exhibit D](#). Over the past biennium, the Community Outreach Program has conducted or supported over 100 wellness, employment and education events. In partnership with Western Nevada College, an exhibit honoring American soldiers killed in Iraq and Afghanistan, "Always Lost," has toured communities across Nevada. The Rural Outreach Program was expanded from 10 to 26 rural community clusters. Working with local communities, they submitted and received VA grants supporting rural and disabled veterans. To ensure women understand their benefits, the Program has also established the Nevada Women Veterans Program to address the unique needs and different communication and networking styles of women veterans.

## SPECIAL PURPOSE AGENCIES

### VETERANS SERVICES

NDVS - Office of Veterans Services — Budget Page VETERANS-7 (Volume III)  
Budget Account 101-2560

The performance indicators for B/A 101-2560 include the percentage of claims filed successfully for veterans and the amount of compensation and pension awards. The success rate for claims is currently 80 percent. Each VSO is helping veterans generate an average of \$8 million each year. The newer VSOs, working under the supervision of fully-accredited VSOs, generate about half that amount. As training is completed and accreditation is attained, the number of client contacts and the total awards are expected to rise. The actual compensation and pension award amounts in FY 2014 totaled \$65,415,462. Awards are projected to rise to \$88,310,874 in FY 2015, and \$119,219,680 in both FY 2016 and FY 2017.

The number of new interments was 2,374 in FY 2014. According to the U.S. Department of Veterans Affairs, Office of the Actuary, veteran deaths in Nevada will decrease from 5,317 in FY 2015 to 5,291 in federal FY 2018. The

VA has noted there are increasing migrations of veterans to the South and West of the country, which may increase the veteran population of Nevada, as well as deaths. These projections are used by NDVS to forecast the number of interments, and the fees received from the VA for them. Due to the lower numbers of interments projected, NDVS is reviewing its plans for a water project and is considering a technical revision to reduce the scope of that project.

**Chair Goicoechea:**

The Executive Budget projects interment rates will increase by 50 percent. Do you think that is overstated?

**Colonel Miller:**

Yes. We are working to submit a technical revision or a budget amendment to adjust the request. I will now discuss B/A 101-2561, the Veterans Home.

NDVS - Veterans Home Account — Budget Page VETERANS-16 (Volume III)  
Budget Account 101-2561

Four new performance indicators were added for B/A 101-2561. The performance indicator that existed previously is average hours of direct nursing care per resident per day. The number of hours in FY 2014 was 1.32. It is projected to increase slightly to 1.39 in FY 2015, FY 2016 and FY 2017. This reflects adequate nursing staffing levels for the facility.

I am asking your support to modernize the NDVS organization to support mission expansion, maintain and update select equipment and reduce water costs needed to irrigate the Northern Nevada Veterans Memorial Cemetery. The modernization of the command and support staff would also allow me the time to pursue federal grant opportunities. Enhancements to NDVS budget accounts are dependent on the approval of a cost allocation plan which increases the use of federal funding for payroll, releasing General Fund appropriations for essential staff. The enhancements can be implemented without an increase in use of General Funds from the last biennium.

Enhancement unit E-230 requests funds for a Deputy Director of Veterans Health Care and Wellness in B/A 101-2560 at a cost of \$86,490 in

FY 2016 and \$110,379 in FY 2017. The new deputy will be the coordinating lead with the Veterans Health Administration, and the existing deputy will be the coordinating lead with the Veterans Benefits Administration and the National Cemetery Administration.

E-230 Efficient and Responsive State Government — Page VETERANS-9

**Senator Parks:**

The new deputy would be located at the headquarters office in Reno. Will the position have supervisory functions over programs in southern Nevada?

**Colonel Miller:**

Yes. At one time, NDVS was more geographically aligned. However, that created two parallel organizations and greater staff need. It is more efficient to organize functionally, rather than geographically.

**Chair Goicoechea:**

What would the new deputy director's duties be if the Northern Nevada Veterans Home was not approved?

**Colonel Miller:**

The oversight of existing and future nursing homes is only one of the duties that would be assigned to the deputy. Management of the NDVS suicide prevention and the homeless veterans programs have already been identified as responsibilities for this position. The next project would be creating an adult day care facility for our veterans in southern Nevada.

**Chair Edwards:**

Can you give the Subcommittees more information about the suicide prevention program?

**Colonel Miller:**

The previous Director of NDVS worked with the Department of Health and Human Services to form a veteran suicide task force. Nevada's rate of veteran suicide is higher than the national average. Women veteran suicides are six times higher than their same cohort across the country. There are not a lot

of resources to address this problem yet. We need to understand the VA's strategies and determine the best way to reach veterans in Nevada.

**Chair Edwards:**

Other than the deputy director, what other resources would you need?

**Colonel Miller:**

It is still too early to fully answer that question. The key is collaboration with existing nonprofit, public and private programs and individuals who are already working in suicide prevention. When we began dealing with the problems of homeless veterans in Nevada, we realized there were existing resources and knowledge available. Our role as a collaborator has been to make connections, identify gaps to be filled and redundancies to be eliminated. The NDVS role in suicide prevention would be similar.

Enhancement unit E-231 requests funds for a public information officer (PIO) at a cost of \$48,829 in FY 2016 and \$64,587 in FY 2017. According to *Nevada Revised Statutes* 417, NDVS is required to inform the public, serve as a clearinghouse and disseminate information relating to veterans' benefits. Currently, NDVS pays a contractor using Veterans License Plate Gift Account revenue. However, as contractors are not subject to the supervision or control of the other contracting party, except as to the results of the work, this does not provide sufficient operational control and flexibility to meet these needs. Additionally, eliminating the draw on the gift account allows more programs and services for Nevada's veterans.

E-231 Efficient and Responsive State Government — Page VETERANS-9

**Chair Goicoechea:**

Could the license plate account continue to sustain the cost of the public information program?

**Colonel Miller:**

The license plate revenues could continue to support the contract PIO. The NDVS requests the ability to cost allocate this position between B/A 101-2560, a General Fund appropriation, and B/A 101-2561, a federally-funded account. If NDVS did not have to draw on the gift funds for the public information program,



individuals could be trained to fill part-time VSO positions in rural communities. Currently, we expend funds for VSOs to travel to rural communities and still have gaps in service because of scheduling conflicts, emergencies and lack of local knowledge.

**Chair Goicoechea:**

You request funds for an administrative assistant position in Elko in enhancement unit E-234 for B/A 101-2560. What impact would that have on the wait times for appointments with the VSO?

E-234 Efficient and Responsive State Government — Page VETERANS-11

**Colonel Miller:**

Wait times would decrease by about 50 percent as half the VSO's time is spent on administrative duties.

**Chair Goicoechea:**

There is also a request for an administrative assistant to the current deputy director, in enhancement unit E-232. Is this in addition to an existing administrative assistant position?

E-232 Efficient and Responsive State Government — Page VETERANS-10

**Colonel Miller:**

Currently, there is no administrative assistant for the deputy director. There was an administrative assistant position whose duties were split between support for the deputy and women veterans programs. With the expansion of the latter, that position was changed to be a full-time women's program manager. This administrative assistant would also perform tasks for the second deputy.

**Chair Goicoechea:**

Will an administrative assistant located in southern Nevada be able to assist the deputy located in northern Nevada?

**Colonel Miller:**

Yes. My administrative assistant in Reno will assist the new deputy with scheduling and day-to-day support. The administrative assistant for the deputy

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 34

in Las Vegas would be responsible for those tasks that can be handled remotely. Effectively, the two administrative assistants will share the work load for me and two deputies.

**Chair Goicoechea:**

Please explain the request to fund maintenance and repair staff at the Southern Nevada Veterans Memorial Cemetery in enhancement unit E-233.

E-233 Efficient and Responsive State Government — Page VETERANS-10

**Colonel Miller:**

The Southern Nevada Veterans Memorial Cemetery is the second largest veterans cemetery in the Country. Since 2006, acreage has increased from 27 acres to 40 acres with no commensurate increase in staff. Current staffing levels are not sufficient to meet groundskeeping, irrigation and equipment maintenance needs.

Enhancement unit E-235 in B/A 101-2560 requests funds for an IT manager to supervise existing staff and IT work study positions, as well as to manage internal and external IT programs and systems. As NDVS missions have grown, IT staff from the NSVH has been used to support these missions. However, they are not the correct classification for these requirements and there has been a negative impact on their ability to support the NSVH.

E-235 Efficient and Responsive State Government — Page VETERANS-11

**Chair Goicoechea:**

If the IT manager position will supervise existing staff at NSVH, why is the position in the Office of Veterans Services rather than NSVH?

**Colonel Miller:**

The plan is to open the position in northern Nevada in anticipation of a new Veterans Home to oversee building a state-of-the-art system. The management of other IT staff and projects can be accomplished from any location.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 35

**Chair Edwards:**

Can you address the 2.5 year delay in implementing the National Veterans Information System for which NDVS received grant funding?

**Colonel Miller:**

As part of a pilot with five other states, we received a grant from the VA rural health program. The vision is to create a single database of information currently contained in various State systems to locate and track veterans and direct NDVS' placement of programs and services. Implementation of this program requires someone using the computer code developed by Utah to create the infrastructure in Nevada. We risk losing the grant funds if we cannot move forward on this project.

**Chair Edwards:**

How much time before we lose the grant?

**Colonel Miller:**

There is no specific end date, but, we could be deleted from the pilot if we do not show significant progress.

**Chair Goicoechea:**

Can you update the Subcommittees on the Northern Nevada Veterans Memorial Cemetery surface water project?

**Colonel Miller:**

This project, in enhancement unit E-240, B/A 101-2560, involves the purchase of water rights from the Truckee-Carson Irrigation District (TCID), construction of a water pipe, a pump and a retention pond. The price of water used to irrigate cemeteries has risen. The annual cost for water in FY 2004 was \$16,745; in FY 2013 it was \$56,565. Accordingly, NDVS is seeking water-wise alternatives. The cost of this project would be approximately \$1.2 million.

E-240 Efficient and Responsive State Government — Page VETERANS-12

With the completion of this project, the annual cost of water at the Northern Nevada Cemetery would decline from an average of \$75,000 per year, to

approximately \$300 to \$400. As we discovered last week, projected interment needs have been revised sharply downward. Therefore, we cannot implement this project without requesting an increase over the last biennium budget. This project is not mission critical and could be completed in phases. We are preparing a request for a technical adjustment or budget amendment to allow NDVS to purchase surface water rights which can be held for up to 10 years. If the project was not approved next biennium, or when it becomes necessary, the water rights could be resold.

**Chair Goicoechea:**

The TCID only delivers water 8 months out of the year. I have concerns about the overall project and the potential of clogging pumps and pipes with water that has been standing in a pond for 4 months. It is a good idea to acquire water rights for a lower cost. I think ground water is a better option.

**Assemblywoman Titus:**

It is important to honor our veterans. But, given the ongoing drought, alternative landscaping options should also be considered.

**Colonel Miller:**

The NDVS can continue to purchase ground water from the city of Fernley. The cost will increase. Once the proposed system is put into place, the surface water will be less expensive. The Cemetery is only irrigated 8 months of the year, but trees and bushes do need to be watered all year. Assembly Bill 62 allows NDVS to pursue xeriscaping for those veterans who choose that option.

**ASSEMBLY BILL 62:** Revises certain provisions relating to veterans.  
(BDR 19-298)

**Assemblywoman Titus:**

It is important to note the purchase of surface water rights does not guarantee the existence of surface water in a given year.

**Colonel Miller:**

The cost allocation plan outlined on page 27 of [Exhibit D](#) ensures that the seven positions that support both the NSVH (B/A 101-2561) and all other NDVS operations (B/A 101-2560) are cost allocated against both General Fund

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 37

appropriations and federal revenues. This frees General Fund appropriations for eight new positions critically needed to support the increase in NDVS responsibilities.

E-250 Efficient and Responsive State Government — Page VETERANS-19

E-250 Efficient and Responsive State Government — Page VETERANS-12

**Assemblyman Sprinkle:**

When will the Northern Nevada Veterans Home construction project be addressed?

**Colonel Miller:**

The State Public Works Division will be presenting the CIP budget on March 10. The Northern Nevada Veterans Home will be part of that presentation.

Project No. 15-C77 Northern Nevada State Veterans Home (Construction)

**Chair Goicoechea:**

Why is the reserve in B/A 101-2561 expected to grow to \$7.7 million compared to \$5.6 million in the last biennium?

**Colonel Miller:**

As a result of an audit in 2011, NSVH has improved business practices that improve collections. These changes have resulted in the growth to the reserve account. Some of those funds have been spent; \$1 million on maintenance costs, \$2 million will be allocated to the Northern Nevada Veterans Home. We keep a 65-day reserve in case of delays in federal funding.

**Chair Goicoechea:**

There is some confusion about the breakdown of funding requests in enhancement unit E-734 for B/A 101-2561. Can you clarify that?

E-734 Maintenance of Buildings and Grounds — Page VETERANS-31

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 38

**Amy Garland (Administrative Services Officer, Department of Veterans Services):**

The amount requested to refloor the main hallways and small activity rooms was \$17,500 and it should have been \$52,200. The amount requested to refloor the nurses' station and small dining room was \$35,000 and it should have been \$17,500.

**Chair Goicoechea:**

In that same enhancement unit is a request to replace carpet in the Administration offices at a cost of \$23,550. What is the current condition of the carpet?

**Colonel Miller:**

The carpet is 12 years old. It is not yet a trip hazard, but it will be soon.

**Chair Goicoechea:**

Why are you requesting cubicle wall heights be raised from 64 inches to 80 inches?

**Colonel Miller:**

There are ten staff working in a small space. The increased wall height will reduce noise and increase privacy.

**Assemblywoman Carlton:**

The Southern Nevada facility is 14 years old and may have significant maintenance issues in the near future, but significant reserves from this account are earmarked for the Northern Nevada Veterans Home. A 65-day reserve does not seem conservative enough.

**Colonel Miller:**

Before we committed any of the reserve account to other projects, we identified all projects we might have over the next biennium. I am confident we have sufficient funding to handle anything short of a natural disaster.

**Chair Goicoechea:**

The hearing for the NDVS is closed. We will now take public comment.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 39

**Mike Musgrove (Nevada Veterans Services Commission):**

I support the NDVS budget. They have improved a great deal, but there is still work to do. There used to be two VSOs and an administrative assistant in Elko. Now, there is only one VSO and a part-time administrative assistant. The need for personnel in rural areas is great. The partnership with the community college and videoconferencing capability has been a great benefit. The Northern Nevada Veterans Home is long overdue. Adult day care for veterans is needed throughout the State.

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Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on Public Safety, Natural Resources and Transportation  
February 24, 2015  
Page 40

**Chair Goicoechea:**

As there is no further public comment or business before the Subcommittees, the meeting is adjourned at 10:58 a.m.

RESPECTFULLY SUBMITTED:

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Trish O'Flinn,  
Committee Secretary

APPROVED BY:

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Senator Pete Goicoechea, Chair

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

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Assemblyman Chris Edwards, Chair

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



<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit</b>		<b>Witness or Agency</b>	<b>Description</b>
	A	2		Agenda
	B	6		Attendance Roster
	C	64	Department of Conservation and Natural Resources	DCNR Administration Budget Hearing
	D	28	Department of Veterans Services	State of Nevada Department of Veterans Services 2015 to 2017 Biennium Budget Presentation