

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

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

The Senate Committee on Finance was called to order by Chair Ben Kieckhefer at 8:02 a.m. on Monday, March 30, 2015, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Ben Kieckhefer, Chair
Senator Michael Roberson, Vice Chair
Senator Pete Goicoechea
Senator Mark A. Lipparelli
Senator David R. Parks
Senator Joyce Woodhouse
Senator Aaron D. Ford

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, 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
Emily Cervi, Committee Assistant
Lona Domenici, Committee Manager
Cynthia Clampitt, Committee Secretary

Chair Kieckhefer:

I will open the meeting on budget closings with the budget for the Commission on Postsecondary Education, budget account (B/A) 101-2666.

EDUCATION

POSTSECONDARY EDUCATION

Commission on Postsecondary Education — Budget Page POSTSEC
EDUCATION-3 (Volume I)
Budget Account 101-2666

Andrea McCalla (Program Analyst):

This budget account has not yet been heard by the Committee. Fiscal Analysis Division staff is responsible for closing recommendations. *Nevada Revised Statutes* (NRS) 394 sets policy, adopts regulation and grants licenses to operate private postsecondary institutions. There are no major closing issues in this budget. Assembly Bill (A.B.) 440 was heard in the Assembly Committee on Ways and Means requesting a supplemental appropriation to offset terminal leave costs.

ASSEMBLY BILL 440: Makes a supplemental appropriation to the Commission on Postsecondary Education for the costs of a one-time terminal leave payment. (BDR S-1232)

Staff recommends B/A 101-2666 be closed as recommended by the Governor and requests authority to make technical adjustments as necessary.

SENATOR ROBERSON MOVED TO CLOSE B/A 101-2666, AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Ms. McCalla:

The next budget account is the Merit Award Board, B/A 101-1345.

FINANCE AND ADMINISTRATION

ADMINISTRATION

Administration - Merit Award Board — Budget Page ADMIN-13 (Volume I)
Budget Account 101-1345

Ms. McCalla:

Staff is responsible for the closing recommendations on this budget. The Merit Award Board was established in 1967 to recognize State employees who presented ideas to improve the operation of State government, thereby reducing, eliminating or avoiding State expenditures. Cash awards are given to employees based on the savings derived by the State due to the employee's recommendation. The award is not to exceed 10 percent of the State's savings or \$25,000.

There are no major closing issues in this budget. In fiscal year (FY) 2014, 49 suggestions were presented to the Merit Award Board. The upcoming Interim Finance Committee (IFC) meeting will have an agenda item to make merit awards to some employees.

Fiscal staff recommends this budget be closed as recommended by the Governor and requests authority to make technical adjustments as necessary.

SENATOR GOICOECHEA MOVED TO CLOSE B/A 101-1345 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now hear closing recommendations for B/A 718-1358, for the Purchasing Division of the Department of Administration (DOA).

Administration - Purchasing — Budget Page ADMIN-177 (Volume I)
Budget Account 718-1358

Ms. McCalla:

This budget account is reviewed by staff. The Purchasing Division's primary responsibility is to assist State agencies and political subdivisions with the efficient procurement of quality supplies, equipment and services at a reasonable cost. There are no major closing issues in this budget.

There are some other closing items, such as an increase in travel costs to provide Certified Contract Management classes statewide, in decision unit E-226.

E-226 Efficient and Responsive State Government — Page ADMIN-179

There are requests for replacement computers and small equipment in decision units E-710 and E-712.

E-710 Equipment Replacement — Page ADMIN-180

E-712 Equipment Replacement — Page ADMIN-180

Decision unit E-720 requests funds to purchase new software for the SharePoint program.

E-720 New Equipment — Page ADMIN-181

Decision units E-801 and E-804 include cost allocation adjustments.

E-801 Cost Allocation — Page ADMIN-181

E-804 Cost Allocation — Page ADMIN-181

Fiscal staff recommends B/A 718-1358 be closed as recommended by the Governor and requests authority for staff to make technical adjustments as necessary.

SENATOR PARKS MOVED TO CLOSE B/A 718-1358 AS RECOMMENDED
BY THE GOVERNOR WITH AUTHORITY FOR STAFF TO MAKE
TECHNICAL ADJUSTMENTS.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now hear closing recommendations for B/A 713-1346 for the Nevada State Library and Archives (NSLA), Mail Services.

Administration - NSLA - Mail Services — Budget Page ADMIN-240 (Volume I)
Budget Account 713-1346

Ms. McCalla:

Fiscal staff is responsible for the closing recommendations in B/A 713-1346, as well.

The Mail Services section provides services to most State agencies in Carson City, Reno and Las Vegas for incoming and outgoing mail, and interoffice mail. There are no major closing issues in this budget.

The other closing item in this budget is a lease payment transfer for mail services equipment from the mail services equipment budget, B/A 713-1347 to B/A 713-1346 in decision units E-500 and E-900.

E-500 Adjustments To Transfers — Page ADMIN-242

E-900 Transfer Equipment From BA 1347 To BA 1346 — Page ADMIN-244

Maintenance costs for an address printer and cost allocations are requested in decision unit E-710.

E-710 Equipment Replacement — Page ADMIN-242

There is also a technical adjustment noted by staff for a change in SilverNet usage.

Staff recommends this budget be closed as recommended by the Governor and requests authority to make technical adjustments, if necessary, including the adjustment to add funding for SilverNet usage fees at a Tier 2 rate.

SENATOR LIPPARELLI MOVED TO CLOSE B/A 1346 AS RECOMMENDED BY THE GOVERNOR WITH THE AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS, INCLUDING ADDING FUNDING FOR SILVERNET USAGE.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now hear closing recommendations for B/A 713-1347, NSLA, Mail Services Equipment.

Administration - NSLA - Mail Services Equipment — Budget Page ADMIN-246
(Volume I)
Budget Account 713-1347

Ms. McCalla:

Budget account 713-1347 was established in 1999 to create a reserve for equipment replacement for the State Mail Services Program. There are no major closing issues in this budget.

The other closing items include the lease payment renewal and transfer mentioned in the previous budget.

Decision unit E-720 requests large equipment item replacement in the mailroom.

E-720 New Equipment — Page ADMIN-247

Fiscal staff recommends this budget be closed as recommended by the Governor and requests authority to make technical adjustments, if necessary.

SENATOR GOICOECHEA MOVED TO CLOSE B/A 713-1347 AS RECOMMENDED BY THE GOVERNOR AND AUTHORITY FOR FISCAL STAFF TO MAKE ANY TECHNICAL ADJUSTMENTS.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now hear closing recommendations for B/A 287-4895, Victims of Crime.

Administration - Victims of Crime — Budget Page ADMIN-253 (Volume I)
Budget Account 287-4895

Mandi Davis (Program Analyst):

This budget account was not previously heard by the Committee. The Victims of Crime Program provides financial assistance to victims of violent crimes in the State. There are no General Fund appropriations in this account. It is supported with assessments against criminals, penalties, fines and federal reimbursements for paid claims. There are no major closing issues in this account.

The other closing items include two recommendations to adjust cost allocation expenditures that fund the Director's Office and for centralized human resource services provided by the Division of Human Resource Management. These requests appear reasonable to staff.

E-801 Cost Allocation — Page ADMIN-255

E-804 Cost Allocation — Page ADMIN-255

Fiscal staff recommends B/A 287-4895 be closed as recommended by the Governor and requests authority to make technical adjustments to the administrative court assessment revenue and cost allocation expenditures as needed.

Senator Goicoechea:

Are these court assessments the same assessments that we have heard from the Supreme Court and other courts that are diminishing?

Mark Krmpotic (Senate Fiscal Analyst):

That is correct. Under statute, the Victims of Crime Program is allowed to receive administrative court assessments as a funding source in its budget. The Executive Branch agencies that also receive these assessments can receive no more than 49 percent of administrative court assessments. This item will be revisited.

The Victims of Crime account will be adjusted and staff will be asking to adjust other budget accounts that receive funds from this source.

SENATOR WOODHOUSE MOVED TO CLOSE B/A 287-4895 AS
RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL
STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now hear the closing recommendations for B/A 101-1339, the Unemployment Compensation account.

Administration - HRM - Unemployment Compensation — Budget Page
ADMIN-29 (Volume I)
Budget Account 101-1339

Adam Drost (Program Analyst):

This budget was not previously heard by the Committee and Fiscal staff is responsible for producing closing recommendations. This budget receives a uniform assessment on gross salaries and uses that funding to reimburse the

Department of Employment, Training and Rehabilitation's Employment Security Division, for unemployment benefits provided to former State employees.

There are no major closing units in this budget and Fiscal staff recommends the budget be closed as recommended by the Governor and requests authority to make technical adjustments to the unemployment assessment rate and other technical adjustments as necessary.

SENATOR GOICOECHEA MOVED TO CLOSE B/A 101-1339 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now hear closing recommendations for B/A 101-1560, the DOA's State Public Works Division (SPWD), Facility and Condition and Analysis (FCA) account.

Administration - SPWD - Facility Cond & Analysis — Budget Page ADMIN-148
(Volume I)
Budget Account 101-1560

Brody Leiser (Program Analyst):

The FCA is responsible for periodically inspecting and evaluating facility maintenance needs for State-owned buildings. The budget is fully supported with General Fund appropriations. Staff is responsible for developing the recommendations for this budget.

There are two other closing items in B/A 101-1560. This first are decision units E-225 and E-226 that would restore two positions from part-time to full-time equivalent (FTE) positions to meet the workload requirements.

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E-225 Efficient and Responsive State Government — Page ADMIN-150
E-226 Efficient and Responsive State Government — Page ADMIN-150

The second is decision units M-800, E-800 and E-804 to adjust departmental cost allocation expenditures.

M-800 Cost Allocation — Page ADMIN-149
E-800 Cost Allocation — Page ADMIN-151
E-804 Cost Allocation — Page ADMIN-152

Fiscal staff recommends this budget be closed as recommended by the Governor with authority to make technical adjustments.

Chair Kieckhefer:

Has the workload increased commensurate with the request to increase the positions from part-time to full-time?

Mr. Leiser:

That is correct. The SPWD anticipates an additional workload due to the aging condition of State facilities. They have a policy that attempts to inspect buildings every 3 years, which they are not currently meeting. They are currently inspecting facilities every 4 years and sometimes longer.

SENATOR PARKS MOVED TO CLOSE B/A 101-1560 AS RECOMMENDED
BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE
TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now hear closing recommendations for B/A 712-1366, the SPWD Marlette Lake account.

Administration - SPWD - Marlette Lake — Budget Page ADMIN-165 (Volume I)
Budget Account 712-1366

Mr. Leiser:

The Marlette Lake water system supplies water to portions of Storey County and Carson City. The system is funded through raw water sales to those counties.

Fiscal staff is responsible for developing recommendations for this budget. There are no major issues in this account.

There are seven other closing items beginning on page 18 of [Exhibit C](#). First is the request for a new water system operator position in decision unit E-225. This is required due to modifications in the facilities and water system to meet the water distribution demands of Carson City and Storey County.

E-225 Efficient and Responsive State Government — Page ADMIN-167

The second item is in decision unit E-226 requesting training funds for snowmobile operator safety training.

E-226 Efficient and Responsive State Government — Page ADMIN-168

The third is for decision units E-500 and E-900 requesting the transfer of 0.25 FTE of an existing water operator position currently funded in the budget of the SPWD's Buildings and Grounds (B&G) section to this budget.

E-500 Adjustments To Transfers — Page ADMIN-168

E-900 Transfer From BA 1349 To BA 1366 — Page ADMIN-172

Administration - SPWD - Buildings & Grounds — Budget Page ADMIN-153
(Volume I)

Budget Account 710-1349

Other closing items 4 and 5 in [Exhibit C](#), page 12, are requests for replacement equipment and new equipment recommendations. They include a personal computer, a new pickup truck, generators, an air compressor, warehouse door opener, small tools, a uniform allowance, a truck bumper winch and a used backhoe.

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E-710 Equipment Replacement — Page ADMIN-169
E-711 Equipment Replacement — Page ADMIN-169
E-712 Equipment Replacement — Page ADMIN-170
E-721 New Equipment — Page ADMIN-170
E-722 New Equipment — Page ADMIN-171

Staff has made a technical adjustment under decision unit E-721 to remove the duplication of installation costs for the truck bumper winch.

Other closing item 6 on page 19 of [Exhibit C](#), in decision unit E-902, would transfer the Marlette Lake house maintenance and utility costs from this budget to the B&G Section budget.

E-902 Transfer Marlette House To BA 1349 — Page ADMIN-173

The last other closing items in this budget are adjustments to the departmental cost allocation expenditures.

M-800 Cost Allocation — Page ADMIN-167
E-800 Cost Allocation — Page ADMIN-171
E-801 Cost Allocation — Page ADMIN-171
E-804 Cost Allocation — Page ADMIN-172

Fiscal staff recommends that B/A 712-1366 be closed as recommended by the Governor with the technical adjustment noted by staff and the authority to make other technical adjustments as necessary.

SENATOR GOICOECHEA MOVED TO CLOSE B/A 712-1366 AS
RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS
AS OUTLINED BY STAFF AND ANY OTHER THAT MAY BE NECESSARY.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now hear closing recommendations for the Nevada State Library, B/A 101-2891.

Administration - NSLA - Nevada State Library — Budget Page ADMIN-224
(Volume I)

Budget Account 101-2891

Leandra Copeland (Program Analyst):

The NSLA provides services to State agencies, public libraries and the general public. The Library provides leadership and development services to Nevada's local libraries. There are no major closing issues in this budget.

There are six other closing items. Item 1 is a technical adjustment for rent. This will transfer 841 square feet of office space from this budget, associated with four positions, to be located in the new Grants Office B/A 101-1341 if approved.

Administration - Grants Office — Budget Page ADMIN-122 (Volume I)
Budget Account 101-1341

This will reduce General Fund appropriations by \$9,656 in each year of the 2015-2017 biennium. Fiscal staff recommends approval of the technical adjustment, if the Committee ultimately approves creation of B/A 101-1341.

Other closing item 2 on page 21 of [Exhibit C](#) requests funds for out-of-state training in decision unit E-228. This will allow staff to remain current in knowledge of governmental publications distribution and State data center processes. This recommendation appears reasonable to staff.

E-228 Efficient and Responsive State Government — Page ADMIN-226

Closing item 3, decision unit E-230, requests funds for training and consultation services to statewide and local libraries. Previous funding has been inadequate for reaching rural libraries and Clark County areas. This item appears reasonable to staff.

E-230 Efficient and Responsive State Government — Page ADMIN-226

Item 4 is decision unit E-710 for equipment replacement. Based on a 5-year replacement schedule, after discussions with the Agency, it was determined that the equipment scheduled for replacement would not be 5 years old until FY 2017. Accordingly, a technical adjustment is shown in [Exhibit C](#) that will not replace the equipment until FY 2017. This recommendation appears reasonable, with the adjustment for replacement equipment in the second year of the biennium.

E-710 Equipment Replacement — Page ADMIN-227

Closing item 5, on page 21 of [Exhibit C](#), is a recommendation in decision unit E-711 to replace five scanners that are currently connected to computers that run Microsoft XP operating software. These scanners are not compatible with machines running the Windows 7 operating system. This recommendation appears reasonable.

E-711 Equipment Replacement — Page ADMIN-227

Closing item 6, on page 22, details decision units E-801 and E-804, which are adjustments for cost allocations and appears reasonable to staff.

E-801 Cost Allocation — Page ADMIN-228

E-804 Cost Allocation — Page ADMIN-228

Fiscal staff recommends approval of all other closing items as recommended by the Governor with the technical adjustments suggested in items 1 and 4. Fiscal staff also requests authority to make other technical adjustments as necessary.

Senator Goicoechea:

Is this an increase of approximately \$65,000 in General Fund over the 2015 legislatively approved budget?

Chair Kieckhefer:

The cost allocations are additional.

SENATOR PARKS MOVED TO CLOSE B/A 101-2891 AS RECOMMENDED BY THE GOVERNOR WITH TECHNICAL ADJUSTMENTS OUTLINED BY STAFF AND ANY OTHER TECHNICAL ADJUSTMENTS BASED ON ANY FURTHER CLOSING ITEMS.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now hear the closing recommendations for B/A 101-1052, the Archives and Records budget.

Administration - NSLA - Archives and Records — Budget Page ADMIN-230
(Volume I)
Budget Account 101-1052

Ms. Copeland:

The Archives and Records unit administers programs for the creation, maintenance, retention, preservation and disposition of records. The Agency is also responsible for imaging and preservation, which provides digital imaging and microfilm capture of government documents.

There are no major closing issues in this account. There are four other closing items.

The first item is decision unit E-227 with an increase in out-of-state travel for four trips to two out-of-state conferences, allowing staff to remain current in knowledge of e-records management. The agency has received an increase in questions related to e-records. This recommendation appears reasonable to staff.

E-227 Efficient and Responsive State Government — Page ADMIN-232

Item 2 is in decision unit E-228 recommending an increase in in-State travel to deliver statewide training to rural areas and Clark County library locations.

E-228 Efficient and Responsive State Government — Page ADMIN-232

Item 3 is in decision unit E-710 for replacement equipment. The replacement is on a 5-year schedule and after discussions with the Agency, it was determined the equipment will not be 5 years old until FY 2017. The recommendation appears reasonable with the adjustment to allow replacement in FY 2017.

E-710 Equipment Replacement — Page ADMIN-233

Item 4 consists of cost allocation adjustment requests in decision units E-801 and E-804.

E-801 Cost Allocation — Page ADMIN-233

E-804 Cost Allocation — Page ADMIN-234

Page 24 of [Exhibit C](#) contains information regarding [A.B. 135](#). This bill would require the NSLA to develop training concerning the retention and disposition of official State records. If the legislation is approved, the NSLA has indicated one FTE position would be necessary.

[ASSEMBLY BILL 135](#): Revises provisions relating to schedules for the retention and disposal of official state records. (BDR 19-547)

Staff recommends all other closing items be closed as recommended by the Governor with the adjustments noted by staff in decision unit E-710. Staff requests authority to make other technical adjustments if [A.B. 135](#) is approved.

SENATOR LIPPARELLI MOVED TO CLOSE B/A 101-1052 AS RECOMMENDED BY THE GOVERNOR WITH THE TECHNICAL ADJUSTMENTS OUTLINED BY STAFF AND ANY OTHER NECESSARY ADJUSTMENTS; AND FURTHER ADJUSTMENTS IF [A.B. 135](#) IS APPROVED.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now hear closing recommendations for the Cooperative Libraries Automation Network (CLAN), B/A 101-2895.

Administration - NSLA - CLAN — Budget Page ADMIN-236 (Volume I)
Budget Account 101-2895

Ms. Copeland:

The CLAN is a consortium of libraries and related agencies that share library and technological resources. There are no major closing issues.

The only other closing item is in decision unit E-804, for cost allocation adjustments. This recommendation appears reasonable.

E-804 Cost Allocation — Page ADMIN-238

Fiscal staff recommends this budget be closed as recommended by the Governor with authority to make technical adjustments as necessary.

SENATOR GOICOECHEA MOVED TO CLOSE B/A 101-2895 AS
RECOMMENDED BY THE GOVERNOR WITH AUTHORITY TO MAKE
TECHNICAL ADJUSTMENTS.

SENATOR WOODHOUSE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now hear the closing recommendations for the Imaging and Preservation Services (IPS) Equipment and Software account, B/A 101-1053.

Administration - NSLA - IPS Equipment/Software — Budget Page ADMIN-249
(Volume I)
Budget Account 101-1053

Ms. Copeland:

This budget funds equipment and software replacement of the NSLA, IPS Program. There are no major closing issues. The other closing item is in decision unit E-710 for replacement equipment, which appears reasonable to staff.

E-710 Equipment Replacement — Page ADMIN-249

Fiscal staff recommends B/A 101-1053 be closed as recommended by the Governor with authority for staff to make technical adjustments.

SENATOR PARKS MOVED TO CLOSE B/A 101-1053 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now hear closing recommendations for the Office of the Military, Emergency Operations Center (EOC), B/A 101-3655.

SPECIAL PURPOSE AGENCIES

MILITARY

Military Emerg Operations Center — Budget Page MILITARY-35 (Volume III)
Budget Account 101-3655

Jennifer Gamroth (Program Analyst):

The EOC houses the Nevada Division of Emergency Management, Nevada Highway Patrol Dispatch, Office of the Military, the Nevada Division of Forestry and the Nevada Division of Investigation.

This budget includes maintenance, personnel and related operating costs funded through building rent charged to the agencies located within the facility. The 2013 Legislature approved rent charges of 90 cents per square foot to occupy the space. However, the 2015-2017 Executive Budget recommends reducing the rent to 85 cents per square foot based on the projected reduction in operating costs.

Closing item 1 on page 20 of [Exhibit C](#) requests cold weather uniform items for maintenance personnel under decision unit E-227. This recommendation appears reasonable to staff.

E-227 Efficient and Responsive State Government — Page MILITARY-36

Staff is recommending a technical adjustment to the operating category for this account. The Executive Budget includes \$179,253 for FY 2016 and \$174,217 for FY 2017. However, in review of operating costs over the past 5 years, it appears the Base Year of 2014 was not a typical year for operating costs. Therefore, staff recommends the operating budget for this account be increased by \$27,747 in FY 2016 and by \$32,783 in FY 2017 to bring the annual operating costs up to \$207,000 in each year of the biennium.

The ending reserve balance in this account is recommended at \$314,927 at the end of FY 2017, equivalent to a 413-day reserve. As a general rule, a 60-day reserve is optimal, which would total \$45,735 for this account to fund unforeseen expenditures. However, in discussions with the Agency, they have a few major maintenance projects needed, due to aging of the building.

The Agency's first priority is \$200,000, to replace a water main that has failed four times. Three of those instances have occurred within the last 6 months. Based on the reserve, amounts and the adjustments to the operating category as recommended by staff; the reserve would be reduced to \$254,397 at the end of FY 2017. Based on the explanations by the Agency, Staff has no issues with the reserve balances. The Agency has indicated it will appear before the IFC to request moving funds from the reserves to replace the water main once they have an estimate from the engineering firm.

Does the Committee wish to approve the other closing items as recommended by the Governor, including the increase to the Emergency Management Building category by \$27,747 in FY 2016 and \$32,783 in FY 2017, funded with

reserves as recommended by staff, to authorize staff to make any technical adjustments if necessary?

Senator Goicoechea:

Who owns the building? Is it a State facility to which agencies are paying rent and operating costs?

Ms. Gamroth:

This is a State-owned facility and rent is charged to the agencies that use the facility. The income from those rents is similar to those charged by the B&G Section.

Senator Goicoechea:

In one category, it appears we are reducing the rent by a nickel per foot and on the other hand, we increase the operating account charged to the Emergency Management Building.

Ms. Gamroth:

All repairs and operating expenses are paid from B/A 101-3655 from the rent revenue. The reserves are high, indicating previous rent rates were perhaps too high.

Senator Goicoechea:

Is the rent reflective of reserve balances?

Ms. Gamroth:

That is correct.

SENATOR GOICOECHEA MOVED TO CLOSE B/A 101-3655 AS RECOMMENDED BY THE GOVERNOR, WITH THE ADJUSTMENTS AS NOTED BY STAFF AND AUTHORITY FOR TECHNICAL ADJUSTMENTS.

SENATOR ROBERSON SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

We will now hear closing recommendations for the Military Adjutant General's Special Facility Account, B/A 101-3652.

Military Adjutant General's Special Facility Acct — Budget Page MILITARY-39
(Volume III)
Budget Account 101-3652

Ms. Gamroth:

This account provides authority for the Office of the Military to receive rental income for the use of its armories or other facilities. The rental income is used for upkeep and repair of those facilities. For example, in Elko County, the Carlin Armory rents to the mining companies or perhaps the Nevada Highway Patrol or the school district, who use the facility for training.

There are no major closing issues or other closing items in this account. Staff recommends B/A 101-3652 be closed as recommended by the Governor, including authority for staff to make technical adjustments as necessary.

SENATOR PARKS MOVED TO CLOSE B/A 101-3652 AS RECOMMENDED
BY THE GOVERNOR WITH AUTHORITY FOR STAFF TO MAKE
TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Kieckhefer:

The final budget for closing consideration today is the Military National Guard Benefits account, B/A 101-3653.

Military National Guard Benefits — Budget Page MILITARY-41 (Volume III)
Budget Account 101-3653

Ms. Gamroth:

This account provides summer tuition for Nevada National Guard members. The statutes allow the Nevada System of Higher Education's Board of Regents to waive tuition for fall and spring semesters. This account addresses summer classes.

Reimbursement is dependent on the Guard member being in good standing and receiving a passing grade of C or higher.

The Executive Budget recommends General Fund appropriations of \$57,824 in each fiscal year. The recommended amounts are consistent with levels spent in FY 2014. Fiscal staff recommends closing B/A 101-3653 as recommended by the Governor and with authority for staff to make any necessary technical adjustments.

Senator Goicoechea:

Approximately how many guardsmen are utilizing this funding?

Ms. Gamroth:

The average reimbursement is approximately \$900 per individual.

Senator Goicoechea:

In other words, members are utilizing the funding, but additional funding would be helpful? (The Captain in the audience nodded her head affirmatively.)

Chair Kieckhefer:

This account only pays for summer classes. Fall and spring class fees are waived by the universities.

SENATOR GOICOECHEA MOVED TO CLOSE B/A 101-3653 AS OUTLINED IN THE EXECUTIVE BUDGET WITH AUTHORITY FOR STAFF TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR PARKS SECONDED THE MOTION.

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THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Senate Committee on Finance
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Chair Kieckhefer:

Seeing no public comment or other business before the Committee, we stand in adjournment at 8:38 a.m.

RESPECTFULLY SUBMITTED:

Cynthia Clampitt,
Committee Secretary

APPROVED BY:

Senator Ben Kieckhefer, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit		Witness or Agency	Description
	A	2		Agenda
	B	1		Attendance Roster
	C	32	Fiscal Analysis Division	Senate Committee on Finance Closing List #2, March 30, 2015