# 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

Eightieth Session March 20, 2019

The joint 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 David R. Parks at 8:14 a.m. on Wednesday, March 20, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. <a href="Exhibit A">Exhibit A</a> is the Agenda. <a href="Exhibit B">Exhibit B</a> is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

# **SENATE SUBCOMMITTEE MEMBERS PRESENT:**

Senator David R. Parks, Chair Senator Yvanna D. Cancela Senator Pete Goicoechea

# **ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:**

Assemblywoman Dina Neal, Chair Assemblywoman Sandra Jauregui Assemblyman Al Kramer Assemblywoman Daniele Monroe-Moreno Assemblywoman Robin L. Titus

## **STAFF MEMBERS PRESENT:**

Cindy Jones, Assembly Fiscal Analyst Alex Haartz, Principal Deputy Fiscal Analyst Jaimarie Ortega, Program Analyst Sally Ravenelle, Program Analyst Jennifer McEntee, Committee Secretary Tom Weber, Committee Secretary

# OTHERS PRESENT:

Julie Butler, Director, Nevada Department of Motor Vehicles

Joseph Decker, Administrator, Division of Compliance Enforcement, Nevada Department of Motor Vehicles

Cyndie Munoz, Deputy Director, Nevada Department of Motor Vehicles

Sean P. McDonald, Administrator, Division of Central Services and Records, Nevada Department of Motor Vehicles

William R. Burks, Brigadier General, Adjutant General of Nevada, Office of the Military, Nevada National Guard

Cheryl Tyler, Administrative Services Officer, Office of the Adjutant General, Nevada Office of the Military

## CHAIR PARKS:

These Subcommittees will start by hearing Department of Motor Vehicles (DMV) budget account (B/A) 201-4740.

**PUBLIC SAFETY** 

DEPARTMENT OF MOTOR VEHICLES

<u>DMV - Compliance Enforcement</u> — Budget Page DMV-59 (Volume III) Budget Account 201-4740

JULIE BUTLER (Director, Nevada Department of Motor Vehicles):

We are pleased to present to these Subcommittees information on B/A 201-4740, B/A 101-4722 and B/A 201-4731.

<u>DMV - Motor Vehicle Pollution Control</u> — Budget Page DMV-69 (Volume III) Budget Account 101-4722

<u>DMV - Verification of Insurance</u> — Budget Page DMV-96 (Volume III) Budget Account 201-4731

JOSEPH DECKER (Administrator, Division of Compliance Enforcement, Nevada Department of Motor Vehicles):

The DMV, Division of Compliance Enforcement (CED) is the regulatory arm of the DMV. The CED is comprised of 93 employees, 30 of whom are sworn

police officers. The CED has three sections including; the Nevada Emissions Control Program; Occupational and Business Licensing; and Investigations. Budget Amendment No. A192644722 has been submitted for B/A 101-4722 to upgrade police radios within the CED after learning the Nevada Department of Transportation (NDOT) intends to upgrade their Statewide radio network to a new digital system by the end of 2019.

In decision unit E-228, the CED is requesting to convert from a .40 caliber firearm to a 9 millimeter (mm) firearm for CED sworn officers; 9 mm firearms are more commonly utilized by modern law enforcement agencies. Decision unit E-228 is contained within both B/A 201-4740 and B/A 101-4722.

E-228 Efficient and Responsive State Government — Page DMV-61

The CED previously operated with one deputy administrator position located in northern Nevada and another in southern Nevada. The CED has been restructured to have one deputy administrator provide management for the entire State. Decision unit E-227 requests to eliminate one vacant deputy administrator position as the CED has determined it no longer needs two deputy administrators.

E-227 Efficient and Responsive State Government — Page DMV-61

#### CHAIR PARKS:

Is there a distinction between omission and pollution?

## Mr. Decker:

A technical definition for those two items can be provided by the Nevada Department of Conservation and Natural Resources, Division of Environmental Protection, but from the CED perspective emissions are the source of resulting pollution.

## CHAIR PARKS:

For the purpose of this meeting, we will assume emission and pollution mean the same thing. How will the CED provide supervisory and managerial support to positions in northern Nevada if its management positions are located in southern Nevada?

## Mr. Decker:

The deputy administrator position within E-227 has been vacant for over a year, with the CED currently providing management support through one existing deputy administrator position assisting the administrator. It was beneficial to us when the CED started practicing Statewide supervision to ensure consistency across the State, as both deputy administrator offices report to the same chain-of-command and receive the same direction, allowing for customers to receive the same results. Currently, the processing of expenditure requests, personnel actions and reviewing of cases is done on both sides of the State by the same positions.

## CHAIR PARKS:

Will additional travel expenditures be necessary to provide the required supervision in northern and southern Nevada?

# Mr. Decker:

The deputy administrator has not yet been required to travel to northern Nevada. Travel for the administrator is currently built into B/A 201-4740 in order for this position to appear in the DMV director's office in Carson City; other CED offices located in northern and southern Nevada; and to attend Nevada Legislature meetings.

# CHAIR PARKS:

In previous DMV budgets, there were requests to replace weapons. Are there 30 sworn officers under CED's command contained in B/A 201-4740 and B/A 101-4722?

#### Mr. Decker:

Correct. The 30 sworn officers are split between both accounts.

## CHAIR PARKS:

Decision unit E-228 is being used to request the replacement of 20 weapons within B/A 201-4740 and 12 weapons within B/A 101-4722. Is the CED receiving a trade-in value of roughly \$300 per weapon?

E-228 Efficient and Responsive State Government — Page DMV-73

## Mr. Decker:

Correct. Decision unit E-228 takes into account the end-of-life of existing CED weapons and the maintenance costs associated with keeping these weapons in service. This is in addition to the trade-in value of around \$300 to \$400 from our distributor, making it cheaper for the CED to replace the weapons instead of maintaining them. Most law enforcement agencies are transferring to a 9 mm firearm, and this is considered in our request.

# ASSEMBLYWOMAN JAUREGUI:

Is there currently a DMV field office in Reno, or will the field office contained within E-235 be the first? Does the DMV anticipate any challenges with setting up and operating the new DMV Emissions Lab?

E-235 Efficient and Responsive State Government — Page DMV-74

## Mr. Decker:

There is currently a DMV field office in Reno where the major CED office of northern Nevada is housed. The CED will be moving to the south Reno DMV office after the building is completed. Because the south Reno DMV office is new, our input is being considered by the DMV, Division of Field Services during the design and construction phase of this building. The south Reno DMV office will better accommodate the spatial needs required by the CED for operations.

#### ASSEMBLYWOMAN JAUREGUI:

What will happen to the DMV office the CED is currently housed in?

CYNDIE MUNOZ (Deputy Director, Nevada Department of Motor Vehicles):

The current Reno DMV office housing the CED and the DMV Emissions Lab is owned by NDOT and will be returned to NDOT once the south Reno DMV is completed.

# **CHAIR PARKS:**

Is the DMV projecting to open the south Reno DMV by the end of 2020? Do you anticipate any major challenges to meeting this date?

## Ms. Munoz:

We are on track to open on Nevada Day of 2020. The DMV is not anticipating any major challenges to affect the opening. Projects related to the construction of the south Reno DMV are still going out to bid. We are taking weather conditions into consideration.

## **CHAIR PARKS:**

Is the replacement of radios mentioned in Budget Amendment No. A192644722 being used to align the DMV's initiatives with those of other agencies?

## Mr. Decker:

About two months ago we learned that NDOT, who owns, runs and operates the Statewide radio-network system, is in the process of converting to an all-digital system by the end of 2019. Once the new NDOT radio system is operational, the DMV's existing radios will not work on the Statewide network. The DMV reached out to the Nevada Department of Public Safety (DPS) and was told that DPS is also upgrading their radios. Because the DMV is not housed within DPS and is not part of their notification process, we submitted Budget Amendment No. A192644722 to ensure DMV portable radios and vehicle-mounted police radios will still work once NDOT converts to the new radio-network system.

# CHAIR PARKS:

The 2017 Legislature approved 20-year general obligation bonds, with debt-service payments of \$42 million for the construction of the south Reno DMV. The State Highway Fund will be utilized to pay for 88 percent of the debt-service payments used for the bonds, with the remaining 12 percent being covered by B/A 101-4722. Is this correct?

## Ms. Munoz:

Correct, 12 percent of the debt-service payments used for the bonds will be paid for by emission fees coming into B/A 101-4722. There will be a forthcoming budget amendment requesting \$8.7 million to cover capital improvement project (CIP) Project 19-C01. The DMV is anticipating approximately \$5.6 million in bonds to be issued by the Nevada State Treasurer over an 18-year period to also help cover 19-C01. Payments toward furniture, fixtures and equipment (FF&E) will be split between the 88 percent coming from

the State Highway Fund and the 12 percent coming from B/A 101-4722; the DMV will be paying for the FF&E items with cash.

Project No. 19-C01 — Completion of South Reno DMV

## **CHAIR PARKS:**

I have a question regarding the CED, Nevada Emissions Control Program, Smog Spotter program and the reporting of vehicles emitting visible smoke. I have a constituent who reported his neighbor for having a vehicle emitting visible pollution, with the neighbor continually doing nothing to repair the vehicle; the constituent reported his neighbor twice. Can you please describe the Smog Spotter program?

#### Mr. Decker:

I am very proud of the Smog Spotter program. The CED expends funding on Smog Spotter marketing for the public, and the program allows for citizens and law enforcement officials to report smoking vehicles. Even though an emission inspection is required for vehicle registration in Clark County and Washoe County, *Nevada Revised Statutes* (NRS) 484D.415 makes it unlawful for any vehicle to emit excessive smoke. The public can submit a report to the DMV to alert us of smoking vehicles regardless of where they are located. The DMV has to receive three reports of a smoking vehicle before it can take disciplinary action against the owner of the vehicle, so if there is only one person reporting a smoking vehicle it may take a while before the DMV takes action. This is to ensure people do not report others for vindictive reasons and that the claims are valid. This may be the reason no actions have been taken against your constituent's neighbor.

Law enforcement officials can report a smoking vehicle through a DMV-verified program. This program only requires law enforcement to report a vehicle once before the DMV will take action. The law enforcement official must come from a credible source and be able to testify against the emitter. The DMV will then notify the registered owner of the vehicle emitting pollutants that they have 30 days to complete an emission inspection, regardless of the county in which they live, to prove their vehicle can meet emission standards. If this is not done, a second notification will be provided to the owner of the vehicle. If after the second notification, the owner has still not undergone an emission inspection for

their vehicle, the DMV can prevent the owner from registering their vehicle and even cancel a vehicle's registration.

## CHAIR PARKS:

Is having DMV staff providing notifications and canceling registrations for vehicles not meeting emission standards expensive?

## Mr. Decker:

This is not an expensive operation for the DMV. The DMV expends some federal funding for the marketing of the Smog Spotter program, but existing DMV emissions control and enforcement staff are used to having these responsibilities. DMV staff members are already processing vehicle-pollution reports. Not much time is needed to determine who the emitters are. We feel the Smog Spotter program is very beneficial; we are well equipped to handle it.

# CHAIR PARKS:

Now if you could only go after the pollutant-emitting vehicles with out-of-state tags.

## Mr. Decker:

The CED has three patrol units designed to look for emitters driving heavy-duty diesel trucks, vehicles over 14,000 pounds. We have just initiated a resident, nonresident program to supplement the patrol units, in order to have more resources looking for people not registering their vehicle in Nevada.

# CHAIR PARKS:

Our concern relating to B/A 201-4731 is regarding the increase in fine revenue for the second offense of a lapse in vehicle liability insurance.

SEAN P. McDonald (Administrator, Division of Central Services and Records, Nevada Department of Motor Vehicles):

The Nevada Liability Insurance Validated Electronically (NV LIVE) program is requesting funding through E-235 and E-809.

E-235 Efficient and Responsive State Government — Page DMV-98 E-809 Classified Position Changes — Page DMV-101

As presented in decision unit E-235, the DMV has submitted <u>Bill Draft Request (BDR) 43-1209</u> requesting a change to the tiered-fine structure of the NV LIVE program. Presently, those who have experienced a second lapse of coverage, of at least 91 days but less than 180 days, are assessed a \$500 fine pursuant to NRS 482.557. A fine of the same amount is also assessed against those who have experienced a second lapse of coverage, of at least 31 days but not more than 90 days.

<u>BILL DRAFT REQUEST 43-1209</u>: Revises provisions governing the penalty for a lapse of motor vehicle insurance.

The tiered structure used by NV LIVE is based on the cumulative number of lapses that have occurred and the period of time inherent in each lapse. A truing up of the tiered structure as outlined within the constructs of BDR 43-1209 would change the fine for second offenses from \$500 to \$750. Individuals who have experienced a lapse of coverage consisting of at least 91 days, but no more than 180 days, would be subject to this change in fee structure. Approximately 2,914 fines are processed annually by the DMV within this specific category. At an increase of \$250 per assessed fine, resultant revenues equate an additional \$728,500 in would to each year of the 2019-2021 biennium.

As presented in decision unit E-809, the DMV's Central Services and Records Division is requesting a classification adjustment be made to DMV technician positions. Decision unit E-809 would permit auto progressions to occur across 18 full-time equivalent positions, in alignment with Field Services, once the required years of service have been attained. This decision unit mirrors similar requests submitted for B/A 201-4711 and B/A 201-4741 which are also housed within Central Services.

<u>DMV - Records Search</u> — Budget Page DMV-102 (Volume III) Budget Account 201-4711

<u>DMV - Central Services</u> — Budget Page DMV-81 (Volume III) Budget Account 201-4741

The NV LIVE program serves as the DMV's vehicle insurance verification unit. Technicians housed within NV LIVE are charged with the assessment of fines against people who have experienced a lapse of insurance coverage. The technicians within NV LIVE also possess responsibility for assisting industry professionals across the 360 licensed insurance providers in Nevada.

Technical staff are frequently called upon by internal and external stakeholders, governmental agencies, business entities and members of the general public to research and address complicated issues involving insurance. These staff are subject-matter experts within their respective program and possess expertise not readily held by other DMV staff. While their counterparts in Field Services may address insurance-related questions at a high level, NV LIVE technicians are masters of insurance verification, delving deep into NRS, *Nevada Administrative Code* and DMV policy. Technical staff from NV LIVE are often called upon by public and private entities to make difficult determinations based on their specialized knowledge. Decision unit E-809 seeks to provide "position equity" between NV LIVE technicians and their counterparts in Field Services.

## ASSEMBLYWOMAN NEAL:

I see there was a two-year average of 2,914 fines, for a lapse in insurance coverage, issued by the DMV between fiscal year (FY) 2017 and FY 2018. I have an issue with the DMV increasing the amount of these fines by \$500. Typically fines are supposed to be a deterrent, so why does the DMV not anticipate a reduction in offenses for insurance lapses if E-235 is approved?

# Mr. McDonald:

The NV LIVE program uses a three-tiered structure of fees and fines, passed by Senate Bill (S.B.) No. 323 of the 76th Legislative Session with the help of Senator Parks. Each of the three tiers indicates an occurrence of an offense, with the first tier of the fee system involving a fine for a first offense. Within the second tier of the fee system, which involves a fine for a second offense, there is a fine of \$500 for a lapse in insurance of a length of time between 31 and 90 days. If there is a lapse in insurance occurring between 91 and 180 days within the second tier (second offense), there is a current fee of \$500. The DMV is requesting to increase this fee by \$250 to have the total amount of this fee equal \$750. The fees for a second offense in a lapse of

insurance coverage are supposed to involve a graduated increase in fines of \$500 to \$750, to \$1000, and should act as a deterrent.

Nevada has one of the lowest uninsured rates across the country at 4 percent. Considering that Nevada has roughly 2.3 million actively registered vehicles, this proves that the tiered structure of fees used by NV LIVE is superior and works as a deterrent. A goal of the NV LIVE program is to ensure paying fines is not cheaper than having insurance.

#### ASSEMBLYWOMAN NEAL:

I probably will not find comfort in any way with NV LIVE increasing fines for a second offense. In FY 2018 NV LIVE revenue generated from fines totaled \$13.1 million, but the DMV is only projecting \$12.7 million in revenue during each year of the 2019-2021 biennium. Why does the DMV anticipate a corresponding decrease in fine revenue if the proposed fine increase is approved?

## Mr. McDonald:

The NV LIVE program generated \$13.1 million in overall revenue in FY 2018 to be credited to the State Highway Fund. For FY 2019, NV LIVE has generated around \$14.5 million to \$15 million so far. The crux of the NV LIVE program is to be a deterrent and ensure people are fully covered regarding insurance. The projected \$12.7 million in revenue was probably made a while ago.

#### ASSEMBLYWOMAN NEAL:

I might have been reading the information wrong. I do not want to get into the policy side of things, but I have an issue regarding the significant amount of people in poverty. These people may have a lapse in insurance coverage due to financial hardship. I called the DMV in the fall of 2018 regarding constituents in poverty who fell into extenuating circumstances, being homeless among other things. These constituents are already paying \$500 to \$750 per offense. If the fine for a second offense is going to be increased to \$750, matching the fine for a third offense, why is the fine associated with a third offense not increasing as well? Is NV LIVE actually successful in deterring people from having a lapse in insurance coverage, or should you be trying something else to deter lapses among the population? Regarding the 1,400 people with a lapse in insurance coverage during FY 2018, does the DMV collect any data with respect to why

these lapses are occurring, or do you just issue fines and expect them to be paid?

#### Mr. McDonald:

The NV LIVE program tracks data to ensure motorists maintain liability insurance coverage and are not uninsured on the roadways. The NV LIVE program does not get into personal aspects of why a lapse in coverage may occur. The crux of NV LIVE is to ensure the safety of the citizenry and motorists and to make sure motorists have insurance.

## ASSEMBLYWOMAN NEAL:

I feel like we just raised the vehicle liability insurance requirements in the 79th Session, and now the DMV is increasing its fines. A significant portion of the Nevada population living at-or-below poverty is experiencing a double amount of fines. This bothers me.

## SENATOR GOICOECHEA:

I am also afraid an increase in fines will be counterproductive. When an uninsured person goes to the DMV, do you have the ability to take their tags when they are attempting to register their vehicle? I feel when these people are asked to pay a \$750 fine they will not pay it, instead choosing to walk out of the door and remain unregistered and uninsured.

## **ASSEMBLYWOMAN TITUS:**

I also share Assemblywoman Neal's concerns regarding the DMV increasing its fines. You mentioned the NV LIVE program is very effective in deterring people from having a lapse in insurance coverage. If the crux of NV LIVE is to ensure the safety of the citizenry and motorists, why is it increasing its fee structure? This will only make it harder for certain members of the population to become registered and insured, posing a safety hazard to the public as a result. You have not really given me a good reason as to why the DMV is increasing its fee structure other than making it more expensive for a person to be uninsured. Currently, I am not seeing the justification as to why the DMV is proposing to increase its fee structure.

#### Mr. McDonald:

The NV LIVE program is requesting to increase its fee structure in an attempt to make the three-tiered structure outlined within NRS 482.557 more equal. Each of the three tiers measures the days that occur within each lapse period. For the first offense a fine of \$250 is assessed, with a fine not being assessed if the motorist reinstates insurance coverage within 30 days after the coverage has lapsed. If the motorist attempts to reinstate insurance coverage between 31 to 90 days after coverage has lapsed, this is when they will be subjected to the \$250 fine for the first offense. Reinstating insurance between 91 to 180 days after the lapse results in a \$500 fine for the first offense. Reinstating insurance 181 days or more after the lapse results in a \$1,000 fine for the first offense. This is all within the first tier of the fee structure.

For the second tier of the fee structure, the same rules apply excluding a reinstatement of coverage occurring between 31 to 90 days, which is \$500 for the second offense, versus \$250 for the first offense. As outlined in NRS 482.557, the fee for reinstating coverage between 31 to 90 days, and 91 to 180 days, is currently \$500 for both time periods within the second offense tier. The DMV's intent in bringing forward <a href="BDR 43-1209">BDR 43-1209</a> is to create a differential for second offenses based upon the length of the lapse in insurance, increasing at a rate consistent with other offenses.

# **ASSEMBLYWOMAN TITUS:**

I heard you say this the first time. Just because the DMV wants to align its fee structure based on offenses and length of lapse does not mean it has to. The DMV has been using this fee structure for a while, and the fines associated with a second and third offense will be the same if E-235 is approved. A realignment of the NV LIVE fee structure will not necessarily change outcomes regarding uninsured rates. You seem to have put a lot of effort into putting this proposal together, but I want to know how realigning the NV LIVE fee structure will change the behavior of motorists. Approving E-235 does not seem justified to me.

# ASSEMBLYWOMAN JAUREGUI:

What kind of payment plans does the DMV offer if someone has a lapse in insurance of 181 days or more, having to pay \$1,000 to reinstate the registration of their vehicle?

# Mr. McDonald:

The DMV does not have a payment assistance plan.

#### ASSEMBLYWOMAN JAUREGUI:

If a person is already having trouble paying for their monthly insurance payment, facing an additional fine of \$750 or \$1,000 will be very difficult for them.

## ASSEMBLYWOMAN MONROE-MORENO:

You are asking to make adjustments to the fine associated with a lapse in coverage between 91 and 180 days for a second offense but have not made adjustments for other lapses in coverage or numbers of offenses. Does the DMV anticipate making adjustments to these other categories in the future?

## Mr. McDonald:

No. The DMV is not planning on making further adjustments to its fee structure.

## SENATOR CANCELA:

Is there any data currently available showing the NV LIVE program is successfully deterring uninsured motorists from driving?

#### Mr. McDonald:

There are roughly 2.3 million active vehicle registrations within Nevada. Out of the 2.3 million registrations, 2.2 million motorists are actively insured with a consistent 4 percent uninsured rate yearly in Nevada. This shows the NV LIVE program is working, we are just attempting to iron out the kinks through BDR 43-1209. The uninsured motorist rate throughout the Country is considerably higher than in Nevada.

## SENATOR CANCELA:

When a motorist purchases insurance, via online or an insurance broker, are they notified of the serious consequences that can occur as a result of a lapse in insurance coverage? How are consumers notified of potential penalty fees?

# Mr. McDonald:

The DMV communicates this message in a variety of ways. A message regarding penalties for not maintaining insurance is displayed on registration notifications and provided to motorists when they initially register their vehicle.

The DMV downloads the number of insured vehicles insurance companies in Nevada are reporting on a monthly basis and compares these numbers to internal registration records. The DMV's databases automatically check for insurance coverage when someone is registering their vehicle, helping to ensure all registered vehicles are actively insured.

#### CHAIR PARKS:

Penalties associated with a lapse of motor vehicle insurance are included in <u>BDR 43-1209</u>. It is important to have a significant deterrent to make people want to stay actively insured.

#### ASSEMBLYWOMAN NEAL:

Despite claims that E-809 seeks to provide "position equity" between NV LIVE technicians and their counterparts in Field Services, the Nevada Department of Administration, Division of Human Resource Management (DHRM) does not support the reclassification of positions described in this decision unit. It looks like this request is being moved from one discussion to another, and we need to reconcile this. Why does HR not support reclassifying DMV services technician II positions to services technician III positions?

# Mr. McDonald:

I appreciate being allowed to have these discussions to keep bringing this issue forward despite a lack of DHRM support. The NV LIVE technicians have a different scope of work in their program areas than the technicians in Field Services. The request through decision unit E-809 is also contained within B/A 201-4731, B/A 201-4711 and B/A 201-4741. We asked the DHRM for their feedback and they put forth an initial overview of the position reclassification in E-809, notifying the DMV that we could address this issue through the DHRM, Nevada Personnel Document, Position Questionnaire No. 19 process.

# **CHAIR PARKS:**

Today is Veterans and Military Day at the Nevada Legislature, and we look forward to discussing the Nevada Department of Veterans Services, Office of the Military B/A 101-3650 and B/A 101-3655.

SPECIAL PURPOSE AGENCIES

Military — Budget Page MILITARY-6 (Volume III) Budget Account 101-3650

<u>Military Emergency Operations Center</u> — Budget Page MILITARY-18 (Volume III) Budget Account 101-3655

WILLIAM R. BURKS (Brigadier General, Adjutant General of Nevada, Office of the Military, Nevada National Guard):

The mission statement of the Nevada National Guard is described on page 1 of the Office of the Military Presentation (Exhibit C). Our mission is accomplished through various organizational means with the 4 strategic priorities of the Guard being shown on page 3 of Exhibit C. We ensure our people are ready to respond to global and domestic issues by caring for our members and families. The Guard is a strong proponent of diversity, proudly winning four out of five National Guard diversity trophies in 2018; there is competition with South Dakota to win these national awards every year.

We are the community's militia, maintaining a strong bond with local and State partners and allies abroad. Two weeks ago, the Guard signed a State partnership agreement with the Republic of Fiji to accompany our State partnership with the Kingdom of Tonga. Our desert State is quickly becoming a subject-matter expert in the South Pacific. We are proud of our efforts to win peace and security for U.S. Indo-Pacific Command.

# **CHAIR PARKS:**

These Subcommittees have quite a few major issues with B/A 101-3650. Our issues involve the new Nevada National Guard Youth Challenge Program (NNGYC) contained in E-351, operating expenditures for the Las Vegas Speedway Readiness Center contained in E-350, maintenance of buildings and grounds, travel and training expenditures, the new firefighter and driver operator positions contained in E-230, the new project manager position contained in E-231 and the new information technology (IT) position contained in E-229.

E-351 Safe and Livable Communities — Page MILITARY-12 E-350 Safe and Livable Communities — Page MILITARY-12

E-230 Efficient and Responsive State Government — Page MILITARY-10

E-231 Efficient and Responsive State Government — Page MILITARY-10 E-229 Efficient and Responsive State Government — Page MILITARY-9

#### GENERAL BURKS:

One of my longtime goals since becoming the Adjutant General of Nevada is to establish a National Guard Youth Challenge Program in Nevada. It is very sad the Nevada Department of Corrections often has to handle the "very bad" children, while the "very good" kids have scholarships to rely on. The Guard Youth Program focuses on kids who are on the lower end of the good-to-bad scale. These kids can be disenfranchised for various reasons, such as issues at home or falling behind in school. The Guard Youth Program has three phases and eight core components. The first phase involves the application process; the second phase involves a 2-week indoctrination process; and the third phase involves a 22-week course covering the 8 various core components.

The eight core components of the Guard Youth Program are academic achievement, health and hygiene, employment skills, leadership and followership, life-coping skills, physical fitness, responsible citizenship and service to community. There are currently 40 Guard Youth Programs Nationwide in 28 states, graduating over 165,000 kids. The National Guard Bureau (NGB) strives to have 100 kids graduate from Guard Youth Programs annually, achieving a 75 percent success rate in this regard. The Guard Youth Programs need to start about 122 kids annually to meet this goal.

Nevada is striving to emulate the Guard Youth Programs used in Stockton, California, who have greater than 95 percent of youth graduating from Guard Youth Programs. California is graduating youth from its Guard Youth Programs at a rate higher than the national average. California has refined the techniques they use in their three Guard Youth Programs, financing one of these Guard Youth Programs themselves with no NGB federal funding. The federal match is 300 percent of what the state puts in. To have an entry level program, a state has to provide between \$850,000 and \$1.4 million and meet the requirements of the NGB scoring rubric. The NGB scoring rubric has 400 total points, with a state having to achieve 260 points or above to receive federal funding.

When the Office bought the Reno Science Fire Academy from the University of Nevada, Reno, our sole intent was to eventually establish a Guard Youth

Program in Nevada. Due to the Great Recession, Nevada did not have the available funding to continue with the project. We are finally at a point where the State has some available resources. This project will be a win/win for Nevada and its school district superintendents, because the Guard Youth Program will help the disenfranchised kids not going to class. The Nevada Department of Education (NDE) does not allow for students to get caught up academically in the way the students need to. The Guard Youth Program takes care of this issue by establishing a school, and working with the Elko County School District superintendent Todd Pehrson, who is very amenable and excited about this project.

When the kids who have attended the Guard Youth Programs go back to their own school districts they start attending classes, as they have become model citizens. The kids continue to receive in-depth assistance during the six months after graduating from the program. The Guard Youth Programs then offer a 12-month mentorship period. During the initial six-month training period, mentors talk with the kids through telephone calls to work with them. During the following 12-month period, mentors continue working with the kids to help them continually move forward.

The most recent state to start a Guard Youth Program is Idaho, whose slogan is "if it does not challenge you, it will not change you." This is a great motto as to why the Guard Youth Programs are so effective Nationwide, challenging youth in the eight core components.

# **CHAIR PARKS:**

I am familiar with the NGB Project Challenge program previously offered in Nevada from having the opportunity to meet the students Nevada sent to Arizona's Project Challenge. I also traveled to San Luis Obispo, California, and saw the success of their program firsthand. This is a fantastic program. I like that the NNGYC will be placed in Carlin, Nevada, instead of at Nellis Air Force Base Area II. This will ensure the students are further away from the Las Vegas urban environment, being in a whole new area. I am sold on E-351.

## SENATOR GOICOECHEA:

I support the NNGYC program as well. I do not think the \$500,000 in General Fund appropriations, recommended in the <a href="Executive Budget">Executive Budget</a>, will be enough

money to cover the significant work required to retrofit the NNGYC facility in Carlin, Nevada.

#### GENERAL BURKS:

I agree with you; this is why we are introducing <u>S.B. 295</u> to provide the funds initially necessary to modify the two buildings at the Carlin NNGYC. If Senator Spearman's <u>S.B. 295</u> passes, it will also allow us to hire the staff necessary to recruit kids throughout the State.

**SENATE BILL 295**: Creates the Nevada National Guard Youth Challenge Program. (BDR 34-566)

The first class of the NNGYC is estimated to start in January 2021. The NGB understands the delay in starting the NNGYC program is necessary to find the proper students. There is a 15-page application process along with interviews that need to take place. Anyone cannot just walk in and become part of the NNGYC.

## CHAIR PARKS:

We may be hearing <u>S.B. 295</u> later today in the Senate Committee on Government Affairs.

# ASSEMBLYWOMAN NEAL:

Based on the federal match requirement, the Office will need more than the \$500,000 in General Fund appropriations for the NNGYC project. The total FY 2020 and FY 2021 costs associated with the NNGYC program are \$3.4 million and \$5 million, respectively. Does the Office have a plan to obtain the \$850,000 and \$1.3 million required in FY 2020 and FY 2021, respectively, to receive the 75 percent federal match?

## **GENERAL BURKS:**

We will already have the \$500,000 and will only need \$350,000 more to reach the federal match of \$2.6 million resulting in a total of over \$3 million. With the \$3.4 million, we will initially modify the 2 buildings at Carlin and hire beginning staff members in FY 2020. In FY 2021, the Office will start hiring cadre staff to implement the remaining 7 components of the Guard Youth Program. The \$850,000 necessary to combine with the \$500,000 to reach \$1.3 million will

come from the NDE Distributive School Account (DSA) B/A 101-2610 to be used for the students attending class.

## **EDUCATION**

# K-12 EDUCATION

NDE - Distributive School Account — Budget Page K-12 EDUCATION-17 (Volume I)

Budget Account 101-2610

#### ASSEMBLYWOMAN NEAL:

Why will the Office use DSA money to fund the NNGYC program?

## GENERAL BURKS:

The NNGYC is a qualified school program providing students with legitimate high school credits transferable to their own school districts throughout the State. This will meet the teaching hours required by the DSA.

## ASSEMBLYWOMAN NEAL:

The NNGYC is a program, not a full school, right?

# GENERAL BURKS:

Elko County would establish a school at the Carlin NNGYC facility.

# ASSEMBLYWOMAN JAUREGUI:

From 1993 to 2011 the Office sent youth to participate in Guard Youth Programs located in other states. There were 230 Nevada youth who participated in these out-of-state programs, the equivalent of 18 students a year. How much money does it cost Nevada to send students to these out-of-state programs?

## GENERAL BURKS:

Firstly, we have to find a state willing to take these students. Arizona no longer has a Guard Youth Program, requiring Nevada to initially send its students to the Sunburst Youth Academy National Guard Youth Challenge Program in California. The state sending their kids to an out-of-state Guard Youth Program has to pay

100 percent of the cost. When I first became the Adjutant General of Nevada, we were only sending 10 to 12 kids to out-of-state Guard Youth Programs costing between \$18,000 and \$20,000 per child.

There is no federal match funding provided unless a state has an entire Guard Youth Program. With matching federal funds, states will only have to pay \$5,000 of state money per child, with the remaining \$15,000 coming from federal funds. The costs of running an entire Guard Youth Program including cadre, housing, food and teaching, among other things, will cost a state around \$20,000 per child.

#### ASSEMBLYWOMAN JAUREGUI:

Would you anticipate more money would be required to enroll over 10 students a year?

# **GENERAL BURKS:**

If <u>S.B. 295</u> is passed, the Guard would not only greatly appreciate it, but Nevada would be able to graduate 100 kids every 6 months through the NNGYC. Instead of sending 10 kids a year to out-of-state Guard Youth Programs, Nevada would be looking at graduating more than 200 kids yearly. These kids would then go back into their respective school districts earning DSA funding for the districts they came from.

## CHAIR PARKS:

These Subcommittees will now discuss E-350. The amount originally requested in E-350 has been changed to involve an appropriation of \$181,384 in federal funding throughout the 2019-2021 biennium. This funding will be used for four new positions, including a maintenance repair specialist, a grounds maintenance worker, a custodial worker and an administrative assistant. Is this correct?

CHERYL TYLER (Administrative Services Officer, Office of the Adjutant General, Nevada Office of the Military):

The Office has submitted a budget amendment for E-350 to include four new positions, as the original E-350 recommended by the Governor did not include these positions.

## CHAIR PARKS:

Please move on to discuss decision units E-352, E-372, E-730 and E-732.

E-352 Safe and Livable Communities — Page MILITARY-13

E-372 Safe and Livable Communities — Page MILITARY-13

E-730 Maintenance of Buildings and Grounds — Page MILITARY-15

E-732 Maintenance of Buildings and Grounds — Page MILITARY-16

## Ms. Tyler:

There are three decision units associated with maintenance projects at Office facilities throughout the State. Decision unit E-730 is described on page 13 of <a href="Exhibit C">Exhibit C</a>, including a 50 percent matching reimbursement in federal funds in both years of the 2019-2021 biennium.

Budget Amendment No. A192773650 is described on page 14 of Exhibit C and includes a 50 percent matching reimbursement in federal funds in FY 2020. Budget Amendment No. A192773650 is necessary for the security and operations of National Guard readiness centers requiring restoration to meet current standards of health and safety. These are deferred maintenance projects. They include replacement of the drill hall, pavement clearance at the Nevada Army National Guard Readiness Center in Las Vegas, replacing concrete and walkways at the Nevada National Guard Armory in Washoe County and replacement of sidewalks at the Nevada National Guard Headquarters in Carson City. This also includes replacement of fences and repainting the exterior at the Nevada National Guard Armory in Winnemucca and replacement of the back gate motor at the Nevada Army National Guard Recruiting Center in Reno.

Decision unit E-732 is described on page 15 of Exhibit C, including a 50 percent matching reimbursement in federal funds in FY 2020. Projects in E-732 include the addition of lights and gate replacement at the Nevada Army National Guard facility in Henderson and checking the fire alarm system at the Nevada National Guard Armory in Clark County. It also includes sidewalk replacement at the Nevada National Guard Readiness Center in Elko County and installing rollup doors, replacing the backup generator and renovating the computer rooms for National Guard Headquarters in Carson City.

## CHAIR PARKS:

Is there a duplication of Guard projects that Budget Amendment No. A192773650 is intending to rectify?

## Ms. Tyler:

Decision unit E-372 is a duplicate of E-732. This issue is being rectified through Budget Amendment No. A192773650.

# CHAIR PARKS:

I have some concerns regarding the travel and training expenditures being requested in B/A 101-3650. What is prompting the need for the facilities manager position to perform monthly site visits in Las Vegas, Elko and Carlin?

## Ms. Tyler:

During the 79th Legislative Session, a new State facilities manager position was approved for the Office. Job responsibilities for this position include management of Guard facilities throughout the State, including Las Vegas, Carlin and two northern Nevada facilities. The Office is requesting funding to allow this position to travel to these different facilities, allowing the position to more efficiently manage staff and oversee the maintenance of facilities. The facilities manager has identified training needs for staff throughout the State, and we are requesting an increase in funding for the position's travel.

## Ms. Tyler:

Decision unit E-230 requests three new firefighter/driver operator positions for the Nevada Air National Guard facility in Reno. The Office is requesting funding through E-230 to ensure compliance with U.S. Department of Defense (DoD) Instruction 6055.06 requiring adequate numbers of staff on duty. We are currently able to meet this standard during the harvest period by augmenting administrative staff and Reno Fire Department staff who may be on annual leave or military leave. The Office will add this augmented staff to the three personnel we always have on shift. Funding through E-230 will increase Office staff levels to four personnel per shift and allow the Office to comply with DoD Instruction 6055.06's two-in, two-out rule; whereby two firefighters enter a structure fire and two firefighters remain outside for safety.

## CHAIR PARKS:

This is all 100 percent federally funded, correct?

Ms. Tyler: Correct.

#### SENATOR GOICOECHEA:

Are the four positions being recommended in E-230 Guard personnel or Nevada Civil Service Commission Civil Services personnel?

Ms. Tyler:

They will be State of Nevada employees.

#### ASSEMBLYWOMAN NEAL:

Is the Office currently utilizing fire department staff to augment Office staff?

## Ms. Tyler:

The Office has mutual aid agreements in place with local fire departments allowing us to utilize fire department staff when necessary.

## ASSEMBLYWOMAN NEAL:

So this is not an issue with the Guard not being able to rely on fire department staff. Instead, the Office is seeking more personnel for itself. Correct?

## **GENERAL BURKS:**

The mutual agreements between the Office and local fire departments augment airport firefighters and Office staff. The difference between Reno Fire Department firefighters and Reno-Tahoe International Airport firefighters is that the latter have special expertise in extinguishing aircraft fires; most city firefighters do not have this expertise or know the methodology involved. If a Boeing 757 commercial airplane were to crash at the Reno Airport, it would take Office firefighters, Reno Airport firefighters and local firefighters from Reno and Sparks to take care of the issue. If a fire breaks out anywhere in Reno during fire season, Office firefighters will travel to the local fire departments often lending equipment and assisting in fighting fires.

## ASSEMBLYWOMAN NEAL:

How many aircraft fires are there a year?

#### **GENERAL BURKS:**

I cannot really speak specifically about the emergencies occurring at the Reno Airport, but issues involving landing gear sometimes occur often enough to warrant a response on a regular basis. I have personally been involved in a plane crash, and I am aware of one other plane crash in south Reno.

## **ASSEMBLYWOMAN TITUS:**

Costs associated with the four positions in E-230 will be reimbursed by the federal government. Will the State be responsible for paying the retirement benefits of these employees, or will those costs be reimbursed by the federal government as well?

# GENERAL BURKS:

Funding for the Office is provided primarily through federal funding from the NGB via a Master Cooperative Agreement (MCA). Through the MCA, the NGB will contribute funding into the Public Employees' Retirement System of Nevada for State employees utilized by the Office. This occurs for however long the State staff are employed with the Office.

# CHAIR PARKS:

Please discuss the new project manager position contained in E-231.

# Ms. Tyler:

Decision unit E-231 requests a new project manager II position whose duties would be in line with MCA Appendix 1. Total funding for E-231 would be \$100,658 in FY 2020 and \$133,620 for FY 2021 and would be 100 percent federally reimbursed. The Office would like to employ a licensed engineer in this position to assist the Nevada National Guard Installations and Environment facility.

# CHAIR PARKS:

Will this position be located in Henderson?

## Ms. Tyler:

This position will be located at the Construction Facilities Management Office at the Guard Headquarters in Carson City.

## CHAIR PARKS:

How will the addition of one new project manager position improve the day-to-day operations of the Management Office, generating savings in a timely manner?

## Ms. Tyler:

Hiring a new project manager position will improve efficiency of the Guard Installations and Environment facility. This position will improve efficiency by having the knowledge and expertise necessary to improve engineering designs, enabling the Office to verify the accuracy of the scope of works contained within engineering projects.

## CHAIR PARKS:

Does the Office think this position will generate cost savings?

## Ms. Tyler:

We hope to achieve cost savings through this position in the future, as we foresee this position better managing the design phase of projects being able to manage smaller projects in-house.

#### ASSEMBLYWOMAN NEAL:

In the past, did the Office run into situations where it could not verify the adequate design of projects? Is this why the Office is doing some housekeeping?

## Ms. Tyler:

Historically, the Office did not have enough funding to conduct smaller projects in-house, hiring contractors to complete them. Only recently did we have the resources available to handle smaller projects in-house. Larger projects are handled by the Nevada Department of Administration, State Public Works Division (SPWD).

## **CHAIR PARKS:**

Will the position within E-231 be 100 percent federally funded?

Ms. Tyler: Correct.

## CHAIR PARKS:

Please discuss the IT position contained within E-229.

#### Ms. Tyler:

Through E-229, the Office is requesting a new IT technician position to provide IT services at the Distributive Learning classroom (MCA Appendix 4) located at the Harry Reid Training Center in Stead. This position would manage an additional class at the Distributive Learning classroom for which the Nevada Army National Guard was recently approved.

## CHAIR PARKS:

Does this office already have an IT technician position on staff?

## Ms. Tyler:

The IT position currently providing services at the Reid Training Center is a contracted State employee. Guidelines stated in the MCA require the hiring of a full-time State employee for this position. This is the reason behind the request contained in E-229.

# CHAIR PARKS:

The position contained within E-229 will be 100 percent federally funded, correct?

Ms. Tyler: Correct.

## CHAIR PARKS:

Our major issue with B/A 101-3655 is in regards to facility maintenance, building rent revenue and reserve levels, in decision unit E-225.

E-225 Efficient and Responsive State Government — Page MILITARY-19

## Ms. Tyler:

The utilization of funding contained in B/A 101-3655 is described on page 27 of Exhibit C.

Decision unit E-225 is described on page 28 of <a href="Exhibit C">Exhibit C</a> and strives to replace the backup air conditioning unit in the data room of the DPS, Division of Emergency Management-Homeland Security, Emergency Operation Center (EOC). Decision unit E-225 also requests \$20,000 to purchase light emitting diodes (LED) lighting retrofits for the EOC. The LED lighting retrofits would provide better lighting for one-third of the EOC building, being a starting point in converting all EOC lighting to LED.

## CHAIR PARKS:

Who owns the EOC building? Is the Office a rent-paying tenant at the EOC?

# Ms. Tyler:

The State owns the building, and the Office manages the revenue and expense authorizations for custodial, maintenance and utility support for the EOC. Funding contained within B/A 101-3655 is used for operations at the EOC.

## CHAIR PARKS:

Please discuss the 130-day reserve funding level contained in B/A 101-3655.

## Ms. Tyler:

The 130-day reserve level in B/A 101-3655 is projected to be spent on current projects the Office is starting, including the slide slope stabilization project at the EOC. Other projects include the testing of emergency alarm systems at the EOC and replacing the EOC boiler. Once these projects are implemented, reserve funding within B/A 101-3655 will be down to a 90-day reserve.

## CHAIR PARKS:

What is the appropriate reserve level for B/A 101-3655?

# Ms. Tyler:

A 90-day reserve level is appropriate for B/A 101-3655.

## ASSEMBLYWOMAN NEAL:

Why is the Office raising the rent rate beyond the amount needed to fund recommended reserve levels in the Executive Budget?

## Ms. Tyler:

The rent increases contained in E-225 are intended to primarily fund maintenance projects at the EOC. These include the replacement of the backup air conditioning unit in the data room and converting EOC lighting to LED.

## ASSEMBLYWOMAN NEAL:

Is this why the Office is increasing rent revenue beyond the Governor's recommendations in the Executive Budget?

# Ms. Tyler:

Correct.

#### ASSEMBLYWOMAN NEAL:

Why is the Office not submitting these proposed projects as CIP projects for review by the SPWD?

#### Ms. Tyler:

The projects contained within E-225 will cost under \$100,000. The Office is planning to contract some of the projects out, while handling other projects in-house.

# ASSEMBLYWOMAN NEAL:

Please discuss the slide slope stabilization project at the EOC.

## Ms. Tyler:

The initial projected cost for the slide slope stabilization project is around \$80,000 to \$90,000. The reason the Office estimated higher projections for this project in the Executive Budget is to cover any mitigating factors that may occur. We are now in the design phase for the slide slope stabilization project, and if costs come in at more than \$100,000 the Office will be forwarding the project to the SPWD as a CIP project.

## **ASSEMBLYWOMAN TITUS:**

The purpose of the slide slope stabilization project is to protect the EOC building's foundation from water runoff. Is this project resulting from water runoff damage from two years ago, or is it aimed at preventing water runoff damage in the future? Will this project be a temporary fix regarding slope protection?

## Ms. Tyler:

This project is intended to repair damage caused by water runoff in recent years and will not be just a temporary fix. The Office has completed smaller projects aimed at temporary fixes in mitigating water runoff in-house, which were handled by our facilities management crew. The Office is requesting the larger slide slope stabilization project to permanently solve the situation.

## CHAIR PARKS:

I think the only other issue we have is regarding the reserve funding levels within B/A 101-3655. We will have Legislative Counsel Bureau, Fiscal Division reach out to the Office to make any necessary technical adjustments.

## GENERAL BURKS:

The Guard appreciates your past and future support, especially today, which is Veterans and Military Day.

Remainder of page intentionally left blank; signature page to follow.

Senate Committee on Finance Assembly Committee on Ways and Means Subcommittees on Public Safety, Natural Resources and Transportation March 20, 2019 Page 31				
CHAIR PARKS: Seeing no further questions, this meeting is adjourned at 9:47 a.m.				
	RESPECTFULLY SUBMITTED:			
	Tom Weber,			
	Committee Secretary			
APPROVED BY:				

Senator David R. Parks, Chair

Assemblywoman Dina Neal, Chair

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

DATE:

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	Α	1		Agenda
	В	2		Attendance Roster
	С	30	General Burks / Office of the Military	Office of the Military Presentation