

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GROWTH AND INFRASTRUCTURE**

**Eighty-First Session
February 9, 2021**

The Committee on Growth and Infrastructure was called to order by Chair Daniele Monroe-Moreno at 1:33 p.m. on Tuesday, February 9, 2021, Online. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/81st2021.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Daniele Monroe-Moreno, Chair
Assemblyman Howard Watts, Vice Chair
Assemblywoman Tracy Brown-May
Assemblyman John Ellison
Assemblyman Glen Leavitt
Assemblyman C.H. Miller
Assemblywoman Sarah Peters
Assemblyman Tom Roberts
Assemblywoman Shondra Summers-Armstrong
Assemblyman Jim Wheeler
Assemblyman Steve Yeager

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Katie Siemon, Committee Policy Analyst
Jessica Dummer, Committee Counsel
Devon Kajatt, Committee Manager
Lori McCleary, Committee Secretary
Trinity Thom, Committee Assistant



OTHERS PRESENT:

Julie Butler, Director, Department of Motor Vehicles

April Sanborn, Administrator, Division of Central Services and Records, Department of Motor Vehicles

Tonya Laney, Administrator, Division of Field Services, Department of Motor Vehicles

Joseph (J.D.) Decker, Administrator, Division of Compliance Enforcement, Department of Motor Vehicles

Kristina L. Swallow, P.E., Director, Department of Transportation

M.J. Maynard, Chief Executive Officer, Regional Transportation Commission of Southern Nevada

William A. Thomas, Executive Director, Regional Transportation Commission of Washoe County

Paul J. Enos, Chief Executive Officer, Nevada Trucking Association

Chair Monroe-Moreno:

[Roll was called. Committee rules and protocol were explained.] Today we will have several presentations from agencies involved in Nevada's transportation sector. However, our first order of business is to welcome the newest member to our Committee. Assemblywoman Tracy Brown-May was sworn in yesterday to represent Assembly District No. 42. She will not only be joining the Assembly, but she will also be joining us on the Assembly Committee on Growth and Infrastructure.

Assemblywoman Brown-May, I want to tell you this is a fun Committee. We have exciting projects and initiatives to review this session as we work toward sustainable growth in Nevada. On behalf of the other members, I would like to welcome you to the Assembly Committee on Growth and Infrastructure. We look forward to working with you this session. I would like to invite you to unmute your microphone and introduce yourself to the Committee.

Assemblywoman Brown-May:

As you said, I represent Assembly District No. 42, and it is a very fun district. It is in the heart of Las Vegas, just west of the Strip. I am very pleased to be serving on this Committee in particular. The infrastructure we rely on ensures the health and safety of all of our residents and allows them to get their necessary supports and services.

My background has included interacting with many state divisions that fall under the scope of this Committee, and I am pleased to see some of our distinguished colleagues who are on the agenda today. In a professional capacity, I served on the Transportation Planning Advisory Committee, the Nevada Bicycle and Pedestrian Advisory Board, and I worked closely with leadership from the Regional Transportation Commission of Southern Nevada on specialized transportation.

This Committee is close to my heart. Highways, roads, license plates, and traffic lights are all areas I had an opportunity to work on. I do look forward to learning much more about the areas I am not familiar with, but I am excited to be on this very fun Committee.

Chair Monroe-Moreno:

We are excited to be working with you, also. We will now welcome our presenters who are involved in Nevada's transportation sector. Members of four different organizations have joined us today to give presentations explaining their agency's role in Nevada's transportation landscape and to answer questions from Committee members. For our first presentation, we will welcome Julie Butler, Director of the Department of Motor Vehicles (DMV).

Julie Butler, Director, Department of Motor Vehicles:

It is a pleasure to be here today presenting for you and giving you an overview of the DMV and some of the legislation you may be seeing through this Committee [[Exhibit C](#)]. This slide [page 2] goes over the Department's vision, mission, and philosophy, which can be summed up in seven words: identity, information, consumer protection, and public safety.

The Department is composed of seven divisions supported by the Director's office [page 3]. We have 1,267 authorized positions. The Division of Field Services is our largest division and probably the most familiar, as that is our customer safety division, composed of staff who provide the operations in our field offices.

The Division of Central Services and Records is our second largest division and supports the Department's back office operation. We do have a regulatory arm in the Division of Compliance Enforcement. The Motor Carrier Division collects and distributes fuel taxes on behalf of the entire state and registers commercial vehicles for intrastate and interstate use. Finally, we have several supporting divisions, including the Administrative Services Division; Division of Management Services and Programs, which is noted as the Office of Project Management on the slide; and the Motor Vehicle Information Technology Division or "MOVIT."

I do have members of my leadership team here today [page 4] to answer any detailed questions the Committee may have.

The Department has 18 full-service offices, 8 rural county assessor offices, 5 AAA offices, and 34 kiosk partner locations [page 5].

The next slide [page 6] discusses how the Department is funded, which is mainly through the State Highway Fund with some lesser revenue streams from internal budget account transfers, cost allocations, reimbursements, and commissions. We also receive a small State General Fund appropriation to support automatic voter registration. Finally, our Department is statutorily capped in the amount of highway funds it can receive. That cap must stay under 22 percent of the funds collected and distributed from the Highway Fund, excluding fuel taxes. That 22 percent cap was increased to 27 percent for fiscal years (FYs) 2016 through 2022 to accommodate our information technology (IT) modernization efforts.

The next slide [page 7] shows a pie chart displaying where the revenue is distributed. Most of that, about 39 percent of the \$1.5 billion that was collected in FY 2020, goes to county and local school districts. Another 36 percent is distributed to the Highway Fund for the maintenance, administration, construction, and improvement of Nevada's highways. The remainder is distributed as you can see in the pie chart.

Moving on to the next slide [page 8], I would like to discuss the COVID-19 pandemic and the impact it has had on the Department's revenue collection. The pandemic and the resulting office closures have impacted our collections for FY 2020. To mitigate, our staff devised a protocol to identify funds collected in FY 2021 and applied them to FY 2020 to bolster FY 2020 revenue collections.

After these adjustments were made [page 9], you see an overall decline in revenue of 3.92 percent in FY 2021 compared to the same time period in FY 2020. Highway Fund revenues declined by 15.8 percent. However, most of that decline relates to a shift in the basic governmental services tax on car registrations toward the General Fund during the 31st Special Session. We will continue to monitor revenues and projections and refine them as we move throughout the remainder of the budget process.

I would like to discuss the impacts the pandemic has had on the Department's service levels [page 10]. We continue to be affected by issues mostly related to the ongoing pandemic. The buildings are limited to 50 percent capacity to slow the spread of the virus. The effects of this are illustrated on the slide, where you see the number of customers served for the last two quarters of 2020 is roughly half of what it was for the same period in 2019.

Our Las Vegas metropolitan area offices are seeing, on average, 700 customers per location per day, but we are also seeing a nearly 50 percent rate in no-shows for appointments. This is a contributing factor as to why our appointments continue to be booked out 90 days and complicates things for individuals who need to come to an office to conduct their DMV business.

The Department is doing its best to service the needs of the public while trying to help employees who must cope with distance learning for their children, COVID-19, and other family and health issues. Vacancies and normal annual and sick leave add to the challenges.

I would like to talk about how we get ourselves out of this hole. The way we are going to do that is through technology and a process we are calling "transformation" [page 11]. What COVID-19 has shown us over the past year is that the Department radically needs to change its service delivery. We can no longer afford to be a brick-and-mortar, in-person service delivery model. That has come to the forefront over the last year. We need to be an online operation where customers only come into the office as an exception rather than the rule.

What we envision is getting services from the Department just like any other online shopping experience, where customers add the services into the cart, pay, and then go about their day. Our Department's major budget initiative is focused on this transformation effort to move most, if not all, of our services online over the next four fiscal years. Our concept is patterned after the California Department of Motor Vehicles' virtual field office, with plans to use the same vendors who have developed a proven solution for the California DMV.

In addition to moving our services online, we are also actively looking to partner with industry where it makes sense to do so and to offload services where it makes sense. Two examples are drive schools and salvage titles.

Throughout the pandemic, the demand for drive exams has exceeded the supply of available drive examiners and appointments. We asked ourselves why not certify drive schools to give the same examination that our DMV examiners can give. That way, Nevadans can either go to one of the private drive schools or they can go to the DMV to take the drive exam. Staff reached out to industry and asked if they would be interested in partnering with us on such an endeavor, and they are. Our staff has worked very diligently over the past several months to change the regulations to allow for these private drive schools to be certified by the Department to administer drive exams. We are in the final stages of getting those regulations adopted. I will touch on salvage titles a little more in a bit.

Moving on to the next slide [page 12], for those of you on the money committees, this is just for general awareness for the other Committee members. We have two budget bills, two policy bills, and one housekeeping bill this session, so we anticipate being very busy.

The first budget bill will change the name of our existing Management Services and Programs Division to the Research and Project Management Division. It will combine the theme from our modernization efforts team with the Management Services and Programs Division to create a dynamic and focused team on research and project management for our multiple business and IT projects.

The bill also includes requests to extend our \$1 technology fee on all DMV transactions, which will be crucial to funding our transformation effort over the next four years. Having this fee allows the Department to offset its Highway Fund requests in order to maintain and upgrade its technology platforms. The bill maintains the current Highway Fund cap of 27 percent, which is crucial to our efforts.

The other budget bill deals with the Fund for Off-Highway Vehicles conversion. In the 2009 Session, the Legislature granted the Department \$500,000 in start-up funds to initiate the off-highway vehicle account. That implementation is now complete, so this bill would dissolve that budget account and transfer the remaining funds to the State Department of Conservation and Natural Resources' Account for Off-Highway Vehicles.

The next slide [page 13] details our policy bills, two of which went before the Senate Committee on Growth and Infrastructure yesterday and the third will be heard tomorrow, I believe.

Senate Bill 17 concerns drive schools. Part of the Department's statutory mission is to license driver training schools that have a physical location in Nevada. However, we now know that online schools exist, which means there is no need for a brick-and-mortar location. What S.B. 17 will do is recognize that we can license online driver training schools and also ensure businesses know that in addition to providing their records physically, they can also provide them electronically to our Department's licensing personnel.

Senate Bill 29 deals with salvage titles. As I mentioned previously, the pandemic has shown us that we need to reexamine the way we deliver our services. We need to look at what we are providing in-house and what might make sense to offload in partnering with industry. The salvage titles bill is just one such example. In this case, salvage vehicle industry representatives offered to partner with the Department in the review and processing of salvage titles. The Department has the authority for engaging agents in other chapters of statutes, but not in the chapter dealing with junk and salvage vehicles. Industry representatives currently partner with DMVs in other states for the handling and processing of salvage titles. Senate Bill 29 will allow the Department the authority to work with these types of companies for the processing of these titles in Nevada.

Our final bill, which this Committee will be seeing at some point, is a housekeeping measure, Senate Bill 60, dealing with license plates. Special plates approved in prior legislative sessions did not have consistent guidelines for plate design, development, specifications, and status changes. The proposed language in this bill will provide that consistency for all proposed special license plates.

The bill would also simplify the process for distributing funds from the issuance of a first-time license plate exempt from smog checks. Unfortunately, in trying to simplify the distribution process last session with Assembly Bill 63 of the 80th Session, we inadvertently made the process more complicated. This bill would undo that and get it back to a simpler process. We will be working with legal staff to make sure the distribution process we adopt, going forward, will actually be simpler.

Finally, this bill also deals with an issue of movement permits. Currently, a movement permit is required for a registration to drive a vehicle legally on Nevada's highways. However, what happens if a vehicle is purchased on the weekend and the DMV is closed? How do individuals get that movement permit? For individuals who buy a vehicle through a private sale after hours or on a weekend, this bill would give them three days to come into the DMV to get the movement permit. It is a little bit of a grace period so they can take care of their DMV business.

I would like to highlight the fact that the Department opened a new office in Reno on November 2, 2020 [page 14]. If you have not had the opportunity to visit that office, I would welcome the opportunity to showcase it to you. It really is a spectacular office. It replaces the office on Galletti Way in Reno. We also had an office in Sparks to conduct commercial driver's license transactions. This new office is a one-stop shop for both of those types of transactions, noncommercial and commercial. It features a first-in-the-nation, drive-through kiosk, which is amazing, and we do a lot of business through that. It is a beautiful building, and we are incredibly proud of it. We welcome the opportunity to show you the building if your schedules allow.

I want to thank the Committee for your time today. My staff and I would be happy to answer any questions you may have.

Chair Monroe-Moreno:

I am going to start off with the first question. Referencing page 12 ([Exhibit C](#)), I know that is going to go to our money committees, but can you tell us the anticipated cost for the division name change and technology fees?

Julie Butler:

We do not anticipate any cost to change the name. We do not use preprinted letterhead, as it is a print-as-you-go type of thing. We do not anticipate a cost to change the stationery or those types of things. In terms of the \$1 technology fee, historically, the Department has generated about \$7 million per fiscal year from the technology fee. This budget bill would seek to continue that collection of the \$1 technology fee through June 20, 2026, the anticipated life of the transformation project.

Chair Monroe-Moreno:

Are there any other questions from Committee members?

Assemblywoman Peters:

I have a clarifying question regarding the revenue breakdown with the percentage decrease or increase over fiscal years 2020 and 2021 [page 9]. I am trying to figure out what line item "Other Highway Funds" is versus "Taxes." Could you give us a brief description of those two different line items? In addition, could you describe the cause of the 99.6 percent decrease in "Other Highway Funds"?

Julie Butler:

I believe that has to do with the conversion of the governmental services tax commissions from the Highway Fund to the General Fund. I would like to ask the Administrator of the Administrative Services Division to answer that question, but she is apparently not on the call today. I will get back to you with the exact answer for that question.

Assemblywoman Peters:

Could you please send that answer to staff so the entire Committee can have access?

Julie Butler:

Absolutely, I will.

Assemblywoman Summers-Armstrong:

I have a question about your comment regarding online drive schools. Earlier in your presentation, you mentioned that some of these technological advances you want to implement are being mirrored from the state of California. Are online drive schools done in other states?

Julie Butler:

Are you asking about whether or not we license the drive schools or if we partner with the drive schools to administer the exams?

Assemblywoman Summers-Armstrong:

I am referring to S.B. 17 and the drive schools to allow them to administer the examinations.

Julie Butler:

Those are two separate things. Senate Bill 17 recognizes that we license drive schools. What this change would mean is that we will license brick-and-mortar drive schools, but we will also license those that provide drive instruction online. Separately, through the regulatory process, we have embarked upon a partnership with drive schools to get them certified to administer drive exams.

What we have seen through the pandemic and what we hear from constituents constantly is their teenagers cannot get in to get their drive exams. Unfortunately, we just do not have the staff right now or the appointment availability to make a dent. All I can tell them is they have to wait 90 days until we have an opening. If we already license the drive schools to teach people how to drive, why are we not also extending that license to allow them the capability of certifying the drivers are competent on roads? This is essentially what our drive examiners do anyway. That way, it takes some of the burden off the Department, and if you are a member of the public, it may cost a little more, but you can get an appointment in 30 days or 20 days versus waiting 90 days for the Department. We want to give the public that option.

I do not know if any other states are doing this, but we can reach out to the American Association of Motor Vehicle Administrators, which is a nationwide and international association, to find out. This is something we thought might be an innovative solution for Nevada.

Assemblywoman Summers-Armstrong:

My concern is twofold. First, will we be losing good paying, government jobs to an outside contractor? Second, this program would have to be monitored with some kind of quantifiable process to make sure things are being done in a manner that is acceptable to the

Department. How many Department jobs that were administering these exams already will be lost? How many people do you think you will need, as far as staff, to monitor this new program?

Julie Butler:

We do not anticipate we are going to lose any jobs by going down this road. This is totally optional for customers. It is not required. If our customers want to pay and perhaps get in sooner, great. However, there are going to be those who cannot afford to pay or do not want to pay. In addition, our population is growing, particularly in the Las Vegas Valley. Over the past year, the number of people coming in to surrender their licenses from out of state is huge. This is a supplement to, rather than a replacement of, the Department's services.

In terms of the impact for staff to monitor, we are already licensing the drive schools. We already have to approve these drive schools and monitor them to make sure they are providing an approved curriculum. We think any additional workload impact for compliance monitoring would be minimal.

Assemblyman Ellison:

I have been trying to get ahold of you, but it is almost impossible to get ahold of someone at the DMV. I want to discuss S.B. 29 and the salvage titles. I see you have a third party that will issue the salvage titles. I just bought a Jeep from someone in Elko who had a title. The Jeep went to auction, but they issued a salvage title. Why would they do that?

Julie Butler:

That could be for a variety of reasons. The Department has a national system it checks before it issues titles. It could be that is how the vehicle was branded in the past. I am going to give this question to April Sanborn who can provide a much better explanation than I can.

April Sanborn, Administrator, Division of Central Services and Records, Department of Motor Vehicles:

As Director Butler just stated, there could be many reasons a salvage title was issued. One of the main reasons is the fact the vehicle was rendered nonrepairable to the point where the damage to the vehicle is greater than the value of the vehicle.

Assemblyman Ellison:

The reason I am asking is because this vehicle was never inspected by anyone. It was running great when I purchased it. I restore vehicles, so when I received it, I started tearing it apart and then a salvage title shows up when I had a clear title. There was never any bad damage to the Jeep. That confuses the process. I should have been able to take the title to DMV, but now I have to go through the process of a salvage title. Salvage titles devalue the vehicle. I am hoping we can get this straightened out.

I am glad the DMV is addressing license plates with S.B. 60. It is getting a little confusing. I have bill draft request [BDR 698] I would like to discuss with you. If you could contact my office here at the Legislature, I would like to set up an appointment to meet with you.

Julie Butler:

I would be happy to contact you and have staff reach out to you with regard to your title issue.

Assemblyman Ellison:

I could have driven to DMV to have them check it, but I wanted to tear it apart and restore it. It is a 1947 Jeep, so I want it in great shape when I put it on the highway.

Assemblywoman Brown-May:

I appreciate your very detailed presentation, and I appreciate the effort and the time you have spent. My question is relative to the wait list we are currently experiencing as a result of the COVID-19 pandemic and the necessary shutdowns. In Assembly District No. 42 we have a very active DMV office, and often in the mornings, there is a huge line outside. I can tell you there are several people I am personally familiar with who have waited in that line and check your calendar daily. What is the time frame you anticipate for alleviating this backlog? Is it hopeful?

Julie Butler:

There is not a good answer for that question. Let me explain a little bit of where the Department is at. Our main issue now is staff and no shows on the appointments. In terms of the staff, as you all know, when the pandemic hit and we had to close our offices, our revenues absolutely fell off a cliff. At that point, the Office of the Governor instituted a statewide hiring freeze and we were asked to curtail our overtime, which we have done. Because we cannot constitutionally deficit spend, to meet available projected Highway Fund revenues, we found ourselves in a position of having to cut staff. We have been holding positions vacant for the last year to meet available projected revenues. The reason you see those long lines outside is a combination of positions we cannot fill and furloughs, because we cannot spend more than what is in the checkbook. We have regular issues of people retiring, people seeking other jobs, people getting sick or having COVID-19 where we had extended absences. It is really a numbers game.

At the same time, over the past year, we had 79,900 people come into Nevada from out of state and surrender out-of-state driver's licenses and license plates. Those are just the folks we know of, not counting the hordes of people you see outside every day at every one of our offices who cannot get in. We also have those people who make an appointment, but then either do their business online or are able to get in sooner and do not cancel their scheduled appointment, which pushes things out for everyone else. It is really a combination of all of those factors that prevent me from providing a light at the end of the tunnel. I think the light at the end of the tunnel is going to come through our transformation effort, if funded, and we are able to move these services online. I think that is the only way we are going to be able to survive in the face of staffing challenges and the increase in the population, particularly in the Las Vegas Valley.

Assemblyman Roberts:

My question is in line with the last question asked, but more specifically on the no-shows. Are you trying to do anything specifically to try to curtail the no-shows? I do not know if you could do something similar to a doctor's office where every transaction has a fee, such as paying upfront for an appointment. Are you working toward solutions or are you basically going to wait to put more things online?

Julie Butler:

We do not currently have the authority to charge for no-shows. If that is something the Legislature has an appetite to allow us to do, I think that might certainly help to curtail the issue. We continue to put out media releases, our public relations officers continue to do on-camera interviews, and we put notices on the website to remind the public that if they cannot keep their appointments, to cancel them.

Assemblyman Roberts:

Other than that, you are just dealing with it as it goes and, hopefully, will move more people in line. Is that correct?

Julie Butler:

We are, and to the extent that individuals show up and hope they can be seen by DMV on any given day, in the event we do have no-shows, we try to work the public in so we do not have staff just sitting around doing nothing. We are trying to create a variety of approaches, but certainly if there were something this body would entertain, such as a no-show fee, we would take it.

Assemblyman Roberts:

I do not know if that is necessarily the answer, but if there is a 50 percent no-show ratio routinely, then you should be able to process those people waiting in person that much faster. I do not understand the workflow, but anything that could help with this issue would be great.

Chair Monroe-Moreno:

I have a question along that line. When we look at those long lines, is the Department thinking of putting any new measures or thought into inclement weather? A week ago, it was snowing here, but in southern Nevada, temperatures can get up to 115 degrees and there are people standing outside. What will the Department do moving forward to alleviate those lines, especially during harsh weather?

Julie Butler:

What you are seeing is really a function of the COVID-19 capacity restrictions. Throughout the past year, we have had to deal with several complaints through the Occupational Safety and Health Administration regarding our COVID-19 protocols. Those complaints have come in from the public and our staff. As a result, we had the Nevada Safety Consultation and Training Section (SCATS) from within the Department of Business and Industry do a field service audit on all of our 18 offices statewide. To maintain social distancing, SCATS has recommended we get rid of the chairs in the lobby and have people stand outside,

maintaining the 6-foot separation. For us to put the chairs back in the lobby, the Department would be required to disinfect the chairs after every single customer visit. Then it becomes a matter of numbers. I can either have my staff manning a window, or I can have them squirting off chairs. We have opted to have people wait outside. We have tried hard to accommodate those with disabilities and the elderly. We do have a limited number of chairs in the lobby for that population. That is a function of the pandemic. Again, in the long term, as we move those services online, we are hoping the problem goes away over time because individuals will not have to come to the office to do business.

There are some changes on the federal side with the U.S. Department of Homeland Security and the REAL ID Act of 2005 that will allow the Department and DMVs nationwide to accept certain identity documents electronically. We are looking forward to that in the future as part of our transformation to allow a lot of the services we currently provide to be provided online. As we move forward, we hope this problem will lessen.

Chair Monroe-Moreno:

Most people arrive in a vehicle—some do arrive on a bus—but if they arrive in a vehicle, would there be a way to do a numbering system so people could wait in the safety and comfort of their vehicles? Is that a possibility?

Julie Butler:

We do actually do that. Through our queue system, we have a program called mobile ticketing that will send customers a text message to tell them when it is their turn. We do tell them to wait in their vehicle or go home and come back later when we text them. What we are seeing in our offices is that the customers are refusing to leave. We do not know if they are not trusting that their spot will be there when they get back. Tonya Laney is the Administrator of the Division of Field Services. She can add some more details.

Tonya Laney, Administrator, Division of Field Services, Department of Motor Vehicles:

Director Butler is correct. We have two different processes we are using in the offices for customers in place of them having to stand outside. We either offer them a mobile ticket option, or we have a paper ticket we give them if they are not comfortable using their cell phone or simply do not have a cell phone. We ask the customer to come back at a time when we know we will be able to see them. When they come back, they may still have to wait 10 to 15 minutes outside as they are waiting for that line to move inside.

Because of social distancing, we are setting up what are called "feeder lines" in the metropolitan offices, where we have as many customers indoors as possible with 6 feet of social distancing and standing in front of windows. There may be two or three windows assigned to those feeder lines to pull those customers to the windows immediately for two reasons. The first is so we do not have that many customers standing outside, and second is so we do not have a gap in between when the customer is finished being served at the window and when the next one is called. We are getting the next customer to the window right away when the customer in front is finished.

We do offer those two different solutions to customers, but we are seeing a resistance. We do not know if they are afraid to leave, or since they have driven to the DMV they just want to stand and wait. The customers know when they are going to be seen. When the office opens at 8 a.m., we are telling them we cannot see them until 2 p.m., but they still stand there and wait until 2 p.m.

Assemblyman Wheeler:

I receive two types of phone calls every day. One asks what is wrong with the Department of Employment, Training and Rehabilitation, and the other asks what is wrong with the DMV. You and I have spoken during the interim on some of these issues. The main complaints I get from my constituents are, for instance, if they have a registration due in January but they cannot get an appointment until February, or they try to go online and there is a problem, such as the DMV indicating their insurance has lapsed and they say it has not. Are we fining people or adding fees to people who are late? I know in the beginning of the pandemic you were not doing that, but I think that has expired. I do want to catch up on that. Do you still fine people for being late on their registration or not having insurance when actually they did, but they cannot get ahold of you to tell you about it? What is the procedure there now?

Julie Butler:

I will give you a bureaucratic answer, which is "it depends." In some cases where customers could have done the registration online but did not and are now sitting in front of us at a customer service window and they, for whatever reason, did not pay, yes. We might fine them because they have been driving their car; they admit to our technicians they were driving their car, but they just did not register it. Yes, sometimes we fine them. If it is a case where they switched insurance companies and somehow the Department did not get a timely record of that and it looks like their insurance lapsed, we will take that into consideration and waive that fine. It depends on the circumstances. However, for most of the population, particularly for a simple renewal, there is no excuse why they cannot do that transaction online. There is no need to make an appointment for that issue. The registration document and the decal will arrive in the mail between seven and ten business days later. The renewal is active at the time they pay for the transaction online. Regardless of what color their sticker is, if law enforcement runs the plates, it will show in the system that they have paid and that the registration is current. That is really the message we are trying to get out there.

Assemblyman Wheeler:

The calls I have been getting are from people who cannot do it online, for whatever reason. I did my registration renewal online and it was fine. When they try to get ahold of someone, they cannot get an appointment for 90 days. In the meantime, their registration is going to lapse, and they have to drive the vehicle to go to work. If they cannot get the renewal online, whether it is their fault or DMV's fault, is there a fine?

Julie Butler:

We have still been asking through the Nevada Sheriffs' and Chiefs' Association to extend people some grace, recognizing the issue we are in. There is legitimately a lack of available appointments. There are certain circumstances when individuals buy a car from a neighbor and it cannot be done online. We understand there are those particular cases. However, if it is a car you have owned for the past ten years, there is no reason to come to the DMV to renew the registration. It is a fluid situation, and there are not really any good answers. We continue to ask law enforcement to use their judgment and exercise some leniency as we feel our way through this thing.

Assemblyman Wheeler:

I am not talking about a law enforcement fine. I am talking about your fine.

Assemblywoman Peters:

I think there is also an issue with folks trying to balance getting to the DMV and their day job. There are not always protections for people missing their day job hours to go to the DMV. That is also something to consider about those people missing their appointments. My question is related to contracting for licensing online entities for certifying drivers. Has the DMV looked at what the liability would look like for these entities to certify drivers to be road-ready? If not, I hope you do consider that in the process because I think it could be an unintended consequence.

Julie Butler:

The Administrator of the Division of Compliance Enforcement, J.D. Decker, is also on this call. His division is actually responsible for licensing these drive schools. Mr. Decker, could you speak to the Assemblywoman's comments and last question, please?

Joseph (J.D.) Decker, Administrator, Division of Compliance Enforcement, Department of Motor Vehicles:

The Department has licensed drive schools and drive instructors for a number of years. We do regular audits to make sure they are complying with the training requirements that are currently in the *Nevada Revised Statutes*. We have a program that is relatively robust since the 2019 Legislature granted us an additional employee specifically for drive schools. We think we are ready to roll out a number of different programs related to those schools. One of them would be an auditing function, which someone mentioned previously, where the Department would audit the testing. We feel we can make sure the drive schools are up to our standards that our employees use to certify drivers.

Assemblywoman Peters:

When the DMV certifies, the state takes on the liability of saying this person is qualified to be on the road. When a private, third-party entity does that, does the state then, in licensing these entities to give that certification, take on the liability, or will the entities have a responsibility to ensure drivers are actually road-ready? If something does happen, will they be held accountable?

J.D. Decker:

We have actually discussed that with the Office of the Attorney General. The Department will be responsible for making sure these schools are complying with the Department's requirements for training and testing. However, all the Department is currently doing is certifying individuals have met the prerequisites for being issued a license. When the Department issues a license, it is not the State's testimony that the individual is certified to be a good driver. If individuals meet the requirements to obtain a license, then the Department would issue that license. The individual driver or the school would still be liable for any negligence in training or testing that individual.

Julie Butler:

Madam Chair, I would like to circle back to Assemblywoman Peters' question about "Other Highway Funds" [page 9, [Exhibit C](#)]. I did get clarification on that particular question. Several legislative sessions ago, the depreciation schedule was changed on the basic governmental services taxes. As a result, depreciation changed and a pot of money was generated. Years ago, the money would go to the Highway Fund. In the 2019 Session, there was a legislative change so 75 percent of that money went to the Highway Fund and 25 percent went to the General Fund. As a result of the COVID-19 pandemic and revenues falling off a cliff, in order to avert further devastating cuts, the 31st Special Session diverted all of those funds to the General Fund. The reason for the 99 percent drop is because the \$25 million in FY 2020 was reduced to \$101,381 in FY 2021 when that money went to the General Fund to offset those devastating cuts in the General Fund.

This gets into a larger presentation I made in front of the money committees last week in our Department's overview. The Department of Transportation and the Department of Public Safety depends on that money being there in the Highway Fund to fund all ongoing operations. Our budget was predicated on some of that money being restored. Those would be decisions for this session of the Legislature on whether or not that funding will be restored to the Highway Fund and to what extent.

Assemblywoman Peters:

Thank you for the follow up and clarification. That makes a lot of sense. I just wanted to make sure I was reading it in the right context.

Chair Monroe-Moreno:

That brings us to the end of the presentation and the discussion. I would like to thank the Department of Motor Vehicles and Director Butler for presenting today. Director Butler, I know there were a lot of audio issues at the beginning of your presentation, and we were not able to get everything down on the record. I am going to ask you to send your written comments to our committee manager so they can accurately be put into our minutes for the meeting.

Julie Butler:

I would be happy to submit my written testimony [[Exhibit D](#)].

Chair Monroe-Moreno:

Next, we will welcome Director Swallow from the Department of Transportation (NDOT) who will give us an overview of the agency.

Kristina L. Swallow, P.E., Director, Department of Transportation:

It is truly my pleasure to tell you more about our program and join the longer conversation about growth and infrastructure in our state. To start, I want to offer a brief refresher on who we are as a department [page 2, [Exhibit E](#)].

At our core, NDOT's goal is to keep Nevadans and visitors safe and connected wherever they may be on our vast transportation system. From cleaning up litter, repairing guardrails, building hundreds of millions of dollars in road projects and cutting-edge traffic monitoring systems, responding to earthquakes, wildfires, blizzards, and other urgent events right alongside our first responders: we truly do it all.

The Department of Transportation is responsible for the planning, construction, operation, and maintenance of more than 14,000 lane miles of highway—of which 70 percent are located in rural Nevada—and more than 1,200 bridges. While we are proud to be one of the largest builders of infrastructure in the state, we also recognize and embrace our role as stewards of the environment, and to that end, we look forward to being a key partner in helping Nevada reach our greenhouse gas emission goals.

The Department of Transportation is overseen by a seven-member board, which is chaired by the Governor. We have three distinct districts, each headed by a district engineer [page 3]. District 1 is primarily southern Nevada and is headquartered in Las Vegas. District 2 is primarily the Reno area of western Nevada and is headquartered in Reno. District 3 is northeastern Nevada and is headquartered in Elko. We also have major maintenance stations in Tonopah, Ely, and Winnemucca. As you can see on the slide, the yellow dots represent the locations of our 45 maintenance stations throughout the state, locations where 740 personnel are stationed to truly make sure we can provide 24/7 services to our traveling public.

I want to talk about population and vehicle miles traveled growth [page 4]. I will talk about this later in the presentation but would like to provide a little bit of a highlight. Between 2012 and 2018, Nevada's population grew more than 14 percent, while the number of licensed or registered vehicles grew by 21 percent. While only about 19 percent of Nevada's roads are on the state-maintained system, this 19 percent carries 70 percent of all truck traffic and half of all vehicle traffic. We maintain the roads to get food, vaccines, and other supplies to Nevada families, and we connect rural and urban communities alike, attracting tourism and helping businesses expand.

We are not just a highway agency, and not just roads and bridges [page 5]. We are a multimodal system that supports travel by pedestrian, rail, bike, air, and bus. The Department also manages the majority of federal funding for Nevada's rural transit programs throughout the state. We have no rural and urban transit, just rural transit, offering over 5 million rides annually for the disabled, elderly, and others in rural Nevada.

I mentioned emergency response [page 6]. In addition to maintenance, our crews are on the scene day and night whenever there is an emergency. During wildfires, NDOT often sets up traffic controls and road closures as needed. We have also supplied water tankers with operators. Our operators sometimes step in to help. We offer the use of our fuel sites, located across the state, for emergency events to local agencies and first responders. We directly support fire personnel day and night.

Back in June 2020, rain prompted a significant mudslide on State Route 140, about 100 miles north of Winnemucca. Mud was up to 12 feet deep in one location and spread over 3 miles. Fortunately, no one was injured in the event; however, there were several vehicles trapped in the slide. Multiple NDOT maintenance crews from Quinn River, Orovada, and Winnemucca responded quickly and worked around the clock to clear the mud and rocks. The prompt response of the NDOT crews ensured all mud was cleared, and the road was reopened in approximately two and a half days.

In May 2020, NDOT had to respond to the largest earthquake in the state in over 60 years. The earthquake was just south of Mina, Nevada, and north of Tonopah. We were able to reopen U.S. Route 95 between U.S. Route 6 and State Route 316 in Esmeralda and Mineral Counties following the 6.5 magnitude earthquake earlier than expected. I believe it was within six hours that we were able to repair the road. As you can see on the slide [page 6], there was a significant crack. Unfortunately, you cannot see the differential settlement, but there was an approximate 4-inch bump on U.S. 95 at that location. We needed to do an emergency closure and repair to get it functional again so the traveling public on U.S. 95 could get where they were going.

From day to day, we are there [page 7]. National statistics show that for every minute a freeway lane is blocked, the resulting traffic congestion takes four minutes to clear, and the chance of a secondary crash increases significantly. Our freeway service patrol vehicles, which operate in the Las Vegas metropolitan area and the Reno/Sparks metropolitan area, patrol fixed freeway routes helping to keep the freeways clear by assisting motorists to remove stalled vehicles, extinguishing motor vehicle fires, providing traffic control and safety at incident scenes, and sometimes even providing very basic first aid prior to the arrival of paramedics. We have also worked together with our traffic safety partners in traffic incident management coalitions to detect, respond to, and remove traffic incidents. Since 2008, we have trained 5,000 of the state's 8,000 first responders to implement safe, quick clearance of traffic incidents. Due to our emphasis on traffic safety, some areas of Las Vegas have seen secondary crashes cut in half in just five years.

We do support our rural communities [page 8]. The majority of our network is composed of roads in rural parts of the state. In fact, 86 percent of our center line miles and 70 percent of our total lane miles are in rural Nevada. In 2019, NDOT dedicated over \$200 million for projects in rural areas. This money went to new construction, preservation, and other projects in counties outside of Washoe and Clark Counties. While these roads are outside of our urban areas, they are critical to ensure the products we rely on can get to the stores and our homes, and to ensure we can safely get to the beautiful parts of the state where Nevadans love to recreate. In addition, ongoing, regular maintenance prolongs the longevity of these roads and is cheaper than replacement due to deferred maintenance.

I would like to talk about our State Highway Fund revenue [page 9]. State highways maintained by NDOT are funded primarily with highway user revenue and federal funds. I should note that several funds are basically federal fuel taxes that are collected at the pump. It goes to the federal government and is then sent back to us. We are fortunate in that we get more money back than we contribute as a state, so we benefit from being a donee state.

These taxes are placed into our State Highway Fund. The federal fuel taxes and additional funding we receive account for about one-third of our revenue. The remainder is state-collected. I do want to note that this slide shows fiscal year (FY) 2019 numbers. I am showing this because it is more representative of a typical year than FY 2020 was. The State Highway Fund is a special revenue fund established to account for the receipt and expenditure of these dedicated highway-user revenues. The majority of the State Highway Fund finances NDOT. The Department of Transportation is not supported by any general funds. A significant amount of the operating costs of the Department of Motor Vehicles and the Department of Public Safety, primarily the highway patrol, are also supported by appropriations from the Highway Fund. Typically, there are other minor appropriations or transfers to other agencies. I should note that the federal aid is primarily fuel taxes, but the state revenue is only a little more than 50 percent fuel taxes. Overall, our fund is about half fuel taxes and half other sources, as you can see, including vehicle and other registration fees, motor carrier fees, and licensing fees. It is primarily user revenue, but it is not all directly linked to the use of the roadway network.

I would like to highlight one unique aspect of the revenue generated for the State Highway Fund [page 10]. It is constitutionally protected. Specifically, we are governed by Article 9, Section 5, of the *Nevada Constitution*, which limits gas tax revenue and user revenue as a whole to highway expenditures. Since enactment in the 1930s, this constitutional provision has been important in ensuring that NDOT has had sufficient funding to build and maintain the roads and highways. However, it is not without its faults. The language has limited NDOT from using the funding for operations, and we are increasingly becoming a more operations-driven organization, and none of it can be used for transit. While there is a lot of conversation about how we fund transit, urban transit is key to our ability to move everyone in Nevada in a safe and sustainable way. We need to figure out how to fund transit in the long run.

Looking at how the State Highway Fund is spent, as I mentioned, the majority of it goes to NDOT [page 11]. Of the \$1.1 billion in FY 2019, NDOT spent \$929 million, which did include \$112 million of bond proceeds received in FY 2018. On an annual basis, the revenues allocated to the Department are typically close to \$800 million.

How do we spend this money [page 12]? This slide provides a look back from FY 2009 to FY 2019, where you can see 78 percent of expenditures went toward construction and engineering, 16 percent toward maintenance operations and equipment, and 6 percent toward administrative and support services. The chart on the right shows our budget request for the next biennium. It is important to note that the fluctuations you see in spending are due to many factors, including projects and their specific payment curves. Because of the federal obligation process, we have to fully obligate our federal funding when we award the contract. However, the spending may occur over a variety of years, so the spending does fluctuate even though the budget does not.

I do want to talk a little bit about COVID-19 [page 13]. COVID-19 has definitely had a negative impact on vehicle volumes on our roads and, therefore, the revenue generated for the Highway Fund. This is reflected at our count stations. We have highlighted a few count stations across the state to show how significantly it has impacted the travel on the roads. It does not exactly align with our fuel revenue simply because we get different proportions from freight versus regular vehicles. Freight traffic, or truck traffic, has remained strong throughout the pandemic. You can see during the first quarter of the pandemic, there was a significant drop in driving across the state, and it has not yet fully recovered. The count in Elko is on Interstate 80, and Interstate 80 had recovered during the holiday season, but has fallen back a little bit. We are going to continue to monitor this as we move forward.

The fuel tax revenue has fortunately proven to be far more resilient than other revenues that fund state programs [page 14]. In FY 2020, highway revenue deposited into the fund was 6 percent lower than FY 2019 levels. For the biennium, the Department of Motor Vehicles (DMV) is currently projecting that fuel revenue will remain 8 percent lower than actual FY 2019. Based on our observations, we anticipate this is conservative. We will provide updates to all the legislators as we get updated information from the DMV.

When this body gets to the point of discussing budgets, our budget request has nine items to include: replace aging equipment; buy new equipment; maintain the buildings and grounds of facilities; fill critical vacancies; fund a new category of student worker positions for high school students to help create a better pipeline into state service; further fund our fuel system; replace our radio system; change some classified positions; and technology investments [page 15]. If you have questions on any of these, I am happy to follow up with the Committee or individual legislators.

How has our system grown [page 16]? As our state has dramatically grown in recent years, so has the system. This chart represents lane mile growth for all roads in the state, not just NDOT's, from over 72,000 miles in 2008 to 102,000 miles in 2018. This is a 42 percent increase in just 10 years. The Department of Transportation roads have only increased by

about 800 lane miles, so roughly a 6 percent increase in that time frame. As I noted before, our state system now supports more than 50 percent of all vehicle traffic in the state. Every lane mile that is added, whether it is a lane mile added by NDOT or a lane mile added by a local agency, comes with a maintenance liability of approximately \$20,000 per year. We do not spend \$20,000 per year every year, but we like to have it so we can. It is just like an oil change for your car—you do not need to do it every month, but you do need to do it. If we do not have that as an available resource to spend when we need to, the deferred maintenance increases the cost of the maintenance and preservation at a later date significantly.

Along that time frame, we have also seen significant growth in vehicle miles traveled (VMT) across the network. This slide [page 17] shows VMT since 1993. From 2008 to 2018, the VMT increased about 30 percent. Our projections indicate over the next ten years, they will increase by another 30 percent.

You might expect that makes sense because our state is growing [page 17]. As our state grows, there are more people driving, so VMT should naturally increase. However, what we have actually found is VMT is outpacing growth. If VMT was just matching population, the curve would be the same, but you can see per capita, people are driving more every year. This is, in part, because of land development patterns in Nevada. Without a shift in our land-use policies across the state, VMT per capita will likely continue to increase at a rate higher than population growth, challenging both us and the local agencies to keep up with travel demands and ultimately inhibit our ability to achieve our statewide greenhouse gas emission goals.

This chart [page 19] represents VMT versus Highway Fund revenue normalized to 2008. What I want you to see on this chart is the dashed orange line on the top and the light blue dashed line on the bottom. The orange line is the growth in VMT. The light blue line on the bottom is the growth in Highway Fund revenue, specifically the fuel revenue and registration fees outside the goods and services tax. You can see they are diverging, and that is important to note because with the combination of rising inflation, construction costs, and increased fuel efficiency, we are collecting less revenue than we need to the tune of an annual shortfall of approximately \$500 million for roadways alone outside of any other programmatic means.

I would like to talk about planning. Since our revenue is not keeping pace with our demands, we must be as efficient as possible with our resources, ensuring we are getting the maximum benefit to Nevadans for years to come [page 19]. Our One Nevada Transportation Plan [[Exhibit F](#)] is a unified plan that was completed in 2018, just prior to the last biennium, that brought the entire state together to establish goals on how we should drive our program forward. The plan provides a common foundation and shared policy framework for making informed, transparent, and responsive transportation investments across the state. It helps us be performance-based on future transportation projects that will continue to best meet the needs and goals of the state.

The final phase of the One Nevada Transportation Plan is the Statewide Transportation Improvement Program (STIP), which is the state's transportation capital improvement plan. We work on the STIP with the Federal Highway Administration, U.S. Department of Transportation; the Federal Transit Administration, U.S. Department of Transportation; as well as our state's four metropolitan planning organizations in Las Vegas, Washoe County, Carson City, and Tahoe.

I want to highlight some major projects. I should note, the capital program in this biennial budget is \$1.088 billion, less than what is shown on the slide [page 21, [Exhibit E](#)] because the slide actually represents three fiscal years—those projects that have already gone, are getting ready to go this year or are anticipated to go in the biennium. We want you to be aware of these because these may overlap the biennium and the spending. You can see in southern Nevada, a few of the projects are already well underway: The Interstate 15 (I-15)/Clark County Route-215 Northern Beltway Interchange in the East Valley; the final phase of the Centennial Bowl in northwest Las Vegas; and the I-15 Tropicana Project, which we anticipate getting started later this year; and many others. We also have some in rural Nevada, including the ongoing Ely Downtown Project, passing lanes throughout the state, and some in Washoe County, including the Reno Spaghetti Bowl Xpress project that is well underway, and Pyramid Highway that we anticipate moving soon.

One of the great things about our program is that we are able to help support our economy in a major way [page 22]. We do that by supporting thousands of jobs each year. Investment in transportation not only reduces travel times, creates safer roads, and improves quality of life, but it also provides millions of dollars in economic activity for our communities. In this federal fiscal year to date, starting October 1 through today, our program has supported over 2,000 job years. For the last federal fiscal year ending in September 2020, we have been able to support over 8,600 job years for Nevadans.

We have four bills I would like to put on your radar for this legislative session [page 23]. I am not going to go into a lot of detail on these because I know we are running short on time. Assembly Bill 12 revises provisions regarding the qualifications for the deputy director and chief engineer. We found the current qualifications are too narrow, and we really want to broaden them so we can increase the pool and the diversity of qualified applicants.

Assembly Bill 41 aims to revise provisions related to the operations of certain oversized vehicles. This is intended to provide clarity on how we measure the loads, allow for slightly larger loads in some instances, and transition to an all-online application process.

Assembly Bill 53 modifies the requirements for a call box system on certain highways. We currently maintain a call box system on I-15 south of Las Vegas. That system is obsolete. Our neighboring states have primarily eliminated all of their call box systems as well. The nature of how we travel and how we communicate has changed. Further, we are concerned about the safety of our travelers on the roadways. We want to make sure we provide a system that is most flexible so they can get the information they need and also stay safe should they have an emergency.

Assembly Bill 54 formalizes an advisory committee to study issues and make recommendations to state and local agencies to improve traffic safety. There is an existing committee housed within NDOT. We are looking to formalize that committee to raise their voice when it comes to improving traffic safety across the state.

In addition to our bills and monitoring all of the bills that we expect from the legislators, there are two specific bills we are tracking closely and have worked with legislators on already. One is to amend the *Nevada Constitution* to expand the permissible uses of the State Highway Fund. We are engaged in that conversation and look forward to the conversation with you as it moves forward. The other bill would require NDOT to commission a study and form a dynamic stakeholder working group to comprehensively assess the future of transportation funding in our state. These bills are critical to NDOT and to the state in ensuring that our transportation system can continue to meet the needs of all Nevadans. We look forward to continuing to work with you on those bills.

Lastly, I do want to talk to you about our role in the state's climate future [page 25]. As Nevada's statewide transportation agency, we have to address head-on the fact that transportation is the biggest contributor to greenhouse gas emissions in the state. We have been proud to be a key partner in the effort to reduce emissions at both agency and statewide levels, and that currently serves as the pilot state agency to develop policies and strategies to assess and reduce greenhouse gas emissions within our agency. We have already identified numerous areas for emission reduction as part of Nevada's climate action plan.

It is, however, imperative that we use this time to think critically about all potential outcomes of our ideas. For instance, NDOT supports and encourages electric vehicles (EVs) as a critical means of reducing greenhouse gas emissions. We know that is the future. However, the reduced tailpipe emissions that come with increased EV adoption is not enough to meet Nevada's ambitious climate goals. If you recall my vehicle miles traveled slide [page 4], we are continuing to drive further and further, and the adoption rate of the EVs is just not fast enough to overcome that. This has been shown in other states that are a few years ahead of us in this EV phase.

The challenge and reality, as I have said, are we are outdriving the benefits of EVs. Additionally, without a way to replace that lost tax revenue caused by the rapid transition away from gas vehicles, our very infrastructure that we are trying to protect from the devastating impacts of climate change, could fall into disrepair.

The ultimate solution must be coupled with a serious effort to reduce the number of vehicles and miles traveled on our roads, at least on a per capita basis, through the promotion of carpooling and provision of reliable, safe, and effective alternate mode options, including transit, cycling, and other means. We have to work together to find a common-sense solution that will both protect our environment while sustaining funding for transportation projects and ensuring the mobility of all Nevadans for future generations.

I thank you for your time and would be happy to answer any questions. [[Exhibit G](#) and [Exhibit H](#) were submitted but not discussed.]

Chair Monroe-Moreno:

We do have questions from Committee members.

Assemblyman Watts:

I have more of a comment than a question. When we had the presentation on the Climate Strategy, NDOT was lifted up for its leadership in integrating greenhouse gas reductions and climate considerations into your planning and operations. I want to thank you for diving into that a little more at the end of your presentation and noting some of the dynamics. I was wondering if there is anything else you would like to add in that particular area in terms of some of the key things identified that the Department is going to work on with regard to climate, both for emissions reduction and adaptation to any effects the change in climate may have on your operations.

Kristina Swallow:

We have identified many things. We are in the process of determining how to roll them out and implement them. One of the key areas we are looking at is how we can reduce the emissions on our projects. On every construction project—all the vehicles arriving to the site, the materials arriving to the site—how can we reduce the environmental impact of the construction of the work itself. We are looking at things we can do within our building operations and within our fleet.

Because of COVID-19, most of our design team has been telecommuting for the duration. We are going to be looking at maintaining telecommuting to some extent long-term. We know we need to get back to the office, but to the extent that we can provide some flexibility and continue partial telecommuting, we are going to be looking at that.

I think there is one key area we all need to be thinking about. As NDOT, I have very little control over how we all drive as individual Nevadans, where we choose to live, work, and play. That is going to be a hard, critical conversation that we have across the state with all of our community stakeholders about how we build communities and how we move within them.

Assemblyman Watts:

Thank you for your leadership in this area, and I hope other state agencies and departments follow your lead in incorporating some of those elements into their own plans and activities.

Chair Monroe-Moreno:

I echo the sentiments of Assemblyman Watts.

Assemblyman Ellison:

I want to thank NDOT for the work being done on U.S. Route 93 from Wells to Jackpot. There have been many deaths on that road, which had no passing lanes. Your Department has done a lot to help. Without those changes, it could get worse. You have a great team and I cannot thank them enough. It might take a few years to get it done, but as the saying goes, How do you eat an elephant? One bite at a time.

Assemblyman Leavitt:

There has been a lot of discussion and conversation about roadway funding, VMT, et cetera. I know you are looking to do a study, but it looks like you were using data from 2018. Do you have any current data moving forward so we can understand the impacts of the situation as it currently exists?

Kristina Swallow:

We do monitor VMT across the state annually. The data does lag by a year by the time we assemble all the information. We just received the 2019 data yesterday morning, and it was too late to incorporate that data into the presentation. With that said, the study we are going to do is not just going to be focused on Nevada. It is definitely going to be focused on Nevada and the impacts to Nevadans, but we are going to be looking broadly to see where funding opportunities may lie and be creative about that thinking. There are a couple of states, and the Senate Concurrent Resolution 3 of the 80th Session interim committee [Legislative Committee on Energy] did look at some models that have been implemented in Utah and Washington. A third model was considered by an outside organization, the Natural Resources Defense Council. We are going to look at all of those. We are also going to be interested in hearing what the legislators and our community members think about those existing models as well as potential models.

I should note, as we do this, we are going to look at the equity implications of our current gas tax model. Oftentimes, when we evaluate the new, we forget to evaluate the current, and there are drawbacks to the current. We are going to be evaluating the current model and using that evaluation in the conversation when we evaluate new models. We will be using current data as it becomes available, and we are going to be surveying other states and other agencies broadly to see other options. We are going to do a deep dive to understand what the implications would be in terms of technology requirements and cost requirements. It is meant to be a comprehensive study to help shape and inform both our community members as stakeholders, as well as legislators, so you can make those hard decisions, but having the information behind you when you make them.

Assemblyman Leavitt:

I want to make sure we do not have any misrepresented results due to not using the most relevant data. It is often difficult in our jobs to make a decision that affects all of Nevada if we do not have the most relevant data in the results accordingly.

Chair Monroe-Moreno:

It appears we have no further questions. I would like to thank Director Swallow and her team for the work done in putting this presentation together and the work done during the interim with the Legislative Committee on Energy addressing a number of these issues.

Members, I know it has been a long day, but we have two more presentations, both of which are important. We will be joined by members from Nevada's two regional transportation commissions who have similar mandates tailored to meet the needs of the different communities they serve. From the Regional Transportation Commission of Southern Nevada, we will welcome M.J. Maynard, who is joined by Angela Castro.

M.J. Maynard, Chief Executive Officer, Regional Transportation Commission of Southern Nevada:

I will provide an overview of the Regional Transportation Commission (RTC) of Southern Nevada, who we are, and what we do [[Exhibit I](#)]. I will also discuss our current funding model, then finish up with a brief description of our agency's priorities.

As most of you know, we are the only agency in the United States to house all these functions under one umbrella [page 2, [Exhibit I](#)]. We are the public transit provider and the metropolitan planning organization, so we work closely with all of the local jurisdictions to plan and fund all of our roadways here in southern Nevada. We are also the traffic manager for the entire region.

Let me provide a little more insight on our transit system [page 4]. It is the RTC's responsibility to provide transportation for both our residents and our tourists. The options include a traditional fixed-route system, which is our bus system, and a paratransit service. We also provide specialized services for our senior and veteran population. The RTC currently operates 38 routes, servicing more than 3,000 transit stops. We are also required to provide ADA [Americans with Disabilities] Act paratransit service within a three-quarter mile boundary of the fixed-route service. We operate and maintain more than 800 buses. In fiscal year (FY) 2020, we provided more than 65 million passenger rides on our fixed-route service and 1.4 million passenger rides on our paratransit service.

As I mentioned, we provide services to seniors and veterans. That is not mandated by law, but we know it is the right thing to do. Transportation is key to enhancing the quality of life, and for many seniors and veterans, it is their only way to access life's basic necessities. In the last year alone, we provided more than 75,000 senior and veteran trips in southern Nevada.

Our transit operating revenue [page 5] is primarily composed of sales tax and passenger fares. What is unusual in this budget slide is the inclusion of a temporary funding source. The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided much needed revenue during the pandemic. I will get into that further in the next couple of slides.

We anticipate our budget projections needing to change when compared to actual. This ongoing economic pandemic is still impacting us. As we are currently working on our fiscal year 2022 budget, these numbers will change.

Our FY 2021 budgeted transit operating expenditures [page 6] are primarily dedicated to contracted services—nearly \$198 million annually. That is the cost to provide the contracted services. We partner with private sector contractors to provide the operations and maintenance of the system. Included in this contracting cost is the cost to operate the system, maintain the vehicles, maintain and clean 3,000 bus shelters, fuel, security, and things like that.

Prior to COVID-19, we were already facing a deficit in our transit budget [page 7], and the pandemic only exacerbated that deficit. The orange bars represent the prepandemic deficit we were facing, a \$6 million deficit in 2020, a \$20 million deficit in 2021, a \$14 million deficit in 2022, and a \$13 million deficit in 2023. We thought this was going to be tough, and then the pandemic hit. The red bars represent the effects of the pandemic. As I mentioned, passenger fares and sales tax are the two primary sources for transit funding, and both were significantly impacted by the pandemic. The deficit rose to \$30 million in 2020. We are currently facing a \$54 million deficit in 2021, an \$18 million deficit in 2022, and a \$25 million deficit in 2023.

We had to look at our own internal practices. As we were compiling the 2021 budget, the team did a great job. We cut \$40 million from our 2021 budget that we are currently operating under right now. We eliminated and postponed capital projects. We eliminated, postponed, and in some cases, completely cut out contracts. We implemented a hiring freeze. Everyone from the top down took a pay cut. Unfortunately, we had to lay off and furlough 15 percent of our workforce. We then had to make a very difficult decision in October 2020 to reduce our transit service by \$9 million.

Thanks to our federal delegation and the federal stimulus, it came in the nick of time. I think many of you know we received money from the CARES Act. Recently, the second stimulus came out called the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA). Both funding sources will help the RTC address the budget deficit through 2025. That was probably Christmas early, being the best news we could receive as a transit agency.

Although the federal stimulus will help us address our deficit to 2025, it is a one-time funding source [page 8]. When that funding source is depleted, we are looking at significant funding deficits in the following years. In FYs 2026 and 2027, we fall off a cliff. We are facing a \$44 million deficit in both of those years.

I think it is important to note that we are still not meeting the transportation needs of our community in southern Nevada. We continue to receive requests from businesses and residents who live in areas of the valley that are either underserved or not served at all by transit, particularly areas of the south and southwest, West Henderson, and portions of the

northwest. We also know that many of our current transit customers need more frequent service. In order to make our transit system more equitable, many areas of the urban core need more service. The orange bars you see [page 8] represent the cost to add this much needed transit service. It is a cost we have not been able to include in our transit funding model.

To put this in perspective, there are over 176,000 people in the Las Vegas Valley without access to a vehicle. Many of those areas that are underserved by transit fall within or below the poverty line. These people do not have access to any jobs available beyond the reach of the transit system. As an agency, we are continuing to look for funding wherever we can, and we will continue to manage the deficit.

Thanks to the federal stimulus I just mentioned, we have been able to safely maintain our transit service and keep drivers employed [page 9]. The specific intent about the CARES Act and CRRSSA is that transit agencies are being asked to ensure these funds are used to do just that: maintain transit service and avoid layoffs and furloughs where possible. To date, we have spent approximately \$14 million to institute safety measures on behalf of our customers, drivers, security officers, and other staff. Those safety measures include retrofitting our driver enclosures, so drivers are now in a fully enclosed compartment for their added safety. We have implemented a real time passenger count, so customers who are riding transit can determine what is best for them. Is the bus too full? Maybe they should wait for the next bus—again, thinking about their health and safety. We are installing air filters on the vehicles for air cleanliness inside the coaches. We are implementing social distancing on our vehicles by adding additional bus service to limit the number of customers who are riding transit. As I mentioned earlier, we plan to use the remaining stimulus funding to address the ongoing deficit and continue to maintain transit service over the next few years.

Our streets and highway revenues are primarily comprised of fuel tax and fuel revenue indexing (FRI) [page 11]. The initial FRI funding measure was made possible by Assembly Bill 413 of the 77th Session. A portion of every gallon of gas purchased in Clark County is funding critical transportation projects, creating jobs, and improving the economy in southern Nevada. This slide is a projection of our FY 2021 budgeted streets and highways revenue. Though, again, as we are currently compiling the FY 2022 budget, we are going to adjust the fuel tax funding sources that have been affected by the pandemic. The good news is that current trends point to actual revenues exceeding budget expectations.

Fiscal year 2021 budgeted streets and highway expenditures [page 12] were budgeted at \$164 million. These funds are received by the RTC but slated for spending on roadwork in member jurisdictions.

Certainly, our funding program has also been impacted by COVID-19. Prior to the pandemic, shown by the blue bars [page 13], we were projecting \$75.9 million in motor vehicle fuel tax revenues and \$118 million in FRI revenues in FY 2021. As you can see, there has been a revenue decrease of \$67.2 million in motor vehicle fuel tax, for a loss of close to \$9 million. We are now projecting \$105.5 million in FRI revenue for a loss of about

\$12.7 million. The combined total loss is approximately \$21 million. However, again, we are seeing trends and more driving occurring, as Director Swallow mentioned. We believe, as we adjust the numbers for the FY 2022 budget, we will see improvement in the decline of tax revenues.

It is important to note that while the pandemic has affected our infrastructure funding, there are currently more than 200 projects in various stages of construction and design that will not be impacted by this funding loss.

We know that construction and infrastructure projects are one of the fastest ways to support economic relief by providing work and good paying jobs [page 14]. We work in coordination with the local governments to regionally plan and fund roadway projects, while the local jurisdictions advertise, award, and build roadway projects that are funded by the RTC. We do not design or build roadways unless it is a specific transit service.

In working with the local governments, there is nearly \$488 million in roadway projects that are currently under design or construction, and \$25.5 million in transit projects currently in design or construction. In addition, there is \$312.9 million in roadway projects that will begin construction in 2021. We will continue to work closely with the local jurisdictions to expedite, fund, design, and build critically needed roadway projects throughout southern Nevada.

I mentioned the RTC also assists with traffic management [page 15]. Our Freeway and Arterial System of Transportation (FAST) division manages the traffic network in southern Nevada on behalf of the Nevada Department of Transportation and local jurisdictions. The FAST division works with jurisdictions on traffic signals, operations, and management to include more than 4,200 intelligent transportation system (ITS) devices. Those include traffic detectors, traffic signals, and cameras. The ITS devices allow us to monitor traffic, mitigate congestion, and maximize efficiency on the valley roadways.

Additionally, there are several roadway technology projects that are underway or will be underway shortly. These include special event coordination, adaptive signal control technology, active traffic management, and smart work zones. There is some really great stuff coming out of the FAST division using technology to mitigate congestion and maximize the efficiency of all of our roadways in southern Nevada.

As I mentioned, I am going to briefly provide a look into our progress as we head into this new year [pages 16-17]. As an agency, we continue to seek and apply for grant opportunities to leverage federal dollars to help transportation and highway infrastructure projects in southern Nevada. It is a big call to action for our grants team to streamline the process. They did a really good job this year. We actually applied for more than 50 percent more grants from a year-over-year perspective. Last year, because of their efforts, we saw an additional \$10 million come to the RTC based on federal dollars. We continue to collaborate with our agency partners, the University of Nevada, Las Vegas, and community stakeholders to pursue federal grants to improve mobility here in southern Nevada and to ensure we are

getting our fair share of federal dollars. As part of our innovative priorities, we are seeking language to amend Chapters 277A and 377A of *Nevada Revised Statutes* [page 18]. Counties with a population over 700,000 are prohibited from providing on-call, on-demand microtransit service. Microtransit offers flexible routing and scheduling. I think having microtransit in our mobility toolbox will allow us to enhance the customer experience and potentially provide service efficiencies. This bill will allow for potential pilots in areas that either do not have transit service right now or areas that may need a different type of transit service. The bill will be presented to both the Assembly and Senate Committees on Growth and Infrastructure.

In addition to microtransit, we are working on other technology-based transit services. We have formed partnerships with Uber and Transit to allow riders to use their transit passes on those platforms rather than having to download another app. In 2020, nearly 15,000 transit passes were sold through those partnerships.

We also partner with Lyft to provide cost-efficient mobility solutions through our paratransit Ride On-Demand Program, and the Workforce Mobility Program enables employers to support first-mile and last-mile solutions for their employees. To date, those programs have saved the RTC over \$2 million. Anytime we can look to technology or other innovative ways in how we do business, and we save money, we have a chance to take the savings and apply it to our local market in support of our local residents.

Finally, we know sustainability in addressing climate change is a big deal [page 19]. It is a federal and state priority. Nationally, and in Nevada, the transportation sector is now the largest contributor of greenhouse gas emissions. It is important to note, a single-occupant vehicle is a large submitter of greenhouse gas emissions in this sector.

We began transitioning our fleet from diesel to compressed natural gas in 2007. To date, approximately 90 percent of our bus inventory is using compressed natural gas. We are in the process of introducing renewable natural gas into our pipeline in a partnership with Southwest Gas Corporation. We received a \$3.8 million grant from the U.S. Department of Transportation to deploy two hydrogen fuel buses and install the necessary hydrogen fuel infrastructure. We look forward to continuing to evolve our fleet, again, from diesel to compressed natural gas, and potentially to electric. It is anticipated that the hydrogen fuel cell electric buses will hit our roadways in 2022.

We have also started the development of a sustainability plan for our own organization. We have conducted research on peer agency sustainability plans to identify approaches, reporting protocols, and performance metrics. The idea of this plan will help our organization find and advance sustainability through action items and baseline performance indicators.

That will conclude my presentation. I will be happy to answer any questions you may have.

Chair Monroe-Moreno:

Thank you for educating the Committee on the agency's role within the transportation landscape in southern Nevada. I know we have a few questions for you.

Assemblyman Leavitt:

For full disclosure, up until a month and a couple of weeks ago, Ms. Maynard was my boss. I want to make sure my question is not seen as biased in that realm. From a constituent point of view, with all the construction happening on the roadways, both current and planned, especially projects on the arterial streets or the freeways, how are you communicating with the public as far as roadway projects that may be impacting them?

M.J. Maynard:

By the way, it was great to be Assemblyman Leavitt's boss. To answer your question, back in 2012, we started something called Seeing Orange partnering with Waze so drivers using that application would be alerted to construction zones or lane closures. That is still happening today. We have a website that points to all the areas that are currently under construction.

This month, our board will be approving a contract with a company for a pilot program called Smart Work Zone Systems where, by way of thousands of dashboard cameras and artificial intelligence, we will have a way to look in real-time by using mobile application or website. People can actually see where the construction zones are happening. That is important to note, because when a project is awarded and the general contractor then contracts with a barricade company, they have to follow a permitting standard with various jurisdictions. For example, maybe they are supposed to close a lane between 9 a.m. and 5 p.m. from Monday through Friday. The jurisdictions now have a chance to look at the website to make sure that it is, in fact, happening. It is worth noting that the pilot was just occurring in Las Vegas. Assemblyman Leavitt, once our board approves it from a pilot to a program, this technology will be available valley-wide, for your constituents as well.

Assemblywoman Summers-Armstrong:

It is wonderful to see you Ms. Maynard. She is actually still my boss. One of the things I am concerned about and would like you to give a little bit more background on, is this microtransit technology. Could you please speak to us about where you are in this process, as far as the study and implementation, so we have a better idea?

M.J. Maynard:

Again, I feel pretty fortunate that I get a chance to work with people like Assemblyman Leavitt and Assemblywoman Summers-Armstrong. They are certainly experts in this field. Many of you may not be aware that we actually had a microtransit pilot on the Las Vegas Strip downtown area about a year and a half ago. We found that to be a great location because of the density of customers. We discontinued the pilot at the six-month period because we found out through the Department of Motor Vehicles that we really could not operate the microtransit system. The trends for that study proved they were on the right track. I think microtransit is taking resources and extending it to areas where it makes sense.

Currently, the RTC has been awarded a federal grant called the HOPE [Helping Obtain Prosperity for Everyone] program. It is important to note that this is a study to look at areas of the Las Vegas Valley, for example food deserts. Are people having a tough time connecting from a food desert to where they work, live, and play? It is just a study; it is not providing help with funds for microtransit. The research from that study may show that in those areas where there are food deserts and folks have a tough time connecting to those services, there is already quite a bit of transit there, and maybe that is not the right solution. At this point, we are open to looking at microtransit in areas where it makes sense. For example, is it a first-mile/last-mile connection to a transit center? Is it connecting transit to areas like after-school programs where there is a shuttle? I think there are a lot of possibilities where microtransit will work, but I want the community to be assured that equity is going to be at the root of all we do. Whatever microtransit pilots we are allowed to look at, we will ensure everything that we do in microtransit is going to start with the equity question. Does it make sense? Is it equitable? I think that is what will drive us to do the right thing as it relates to having a microtransit pilot.

Assemblywoman Summers-Armstrong:

We heard from Ms. Swallow in her presentation about the increase in drive miles. Every time there is a new development, we see an increase in rider-driven miles. What is the RTC's plan or process for trying to get people to increase ridesharing? Using vans or other things to cut down on vehicle miles driven is important for a couple of reasons. One, of course, is to get people off the roads, and two, to reduce carbon monoxide. I know it is tough with COVID-19, but we need to think about post-COVID-19 behavior. I am concerned that we might be missing some opportunities. I would like to hear what your thoughts are on that.

M.J. Maynard:

I agree with you. First and foremost, the way to reduce vehicle miles traveled is to have another option for folks who are driving a car. That means that the transit system has to be able to compete in some way with that single-occupant vehicle trip. Unfortunately, we receive three-eighths of a percent of public support, if you will, for transit here in southern Nevada. We run very lean, and it is a very skinny model compared to our peers in the rest of the United States. We do look for opportunities to think innovatively and creatively.

From FY 2012 through FY 2019, we added 29 percent more service hours, but we did not do that by spoiling the system because there was such a need for more frequency in the urban core. The folks who rely on transit are the ones who should have the least harm. For example, by looking at a partnership with Lyft to provide service, it will save the agency money. When we save the agency money, we can use that funding for areas in our valley for folks who have no other options to move about the community except for transit.

Public transit is part of the sustainability solution. Ensuring public transit is such that people want to ride because it is frequent and takes them where they want to go. I think we have to ensure we remain relevant, and we are always following the consumers' demands. We do interviews, we have free Wi-Fi on our buses, and we ask questions every other month. We ask folks how we are doing and whether they are taking transit to work. Whatever decision

we make regarding public transit, the first thing we need to do is go to the community and find out what they need. We have done that with the onboard process, and we understand what the long-term future of mobility looks like. However, whatever we do, whether it is implementing smaller buses, entering a microtransit pilot, or partnering with another technology company, we are always going to ask the customer, first and foremost, what do you need, how do you need it, and what can we do for you? I think that is going to drive a lot of our decisions.

Assemblywoman Peters:

My question is regarding the data related to showing people where construction activity exists in the area. In the Bay Area, it just shows up on Google. I do not know if that is a contract service the area has with Google, or if Google is just so integrated within the Bay Area that they just know where the construction activity is located. I am curious if the RTC has looked into that, as well, because it is so universal to use Google Maps.

I have another question related to data. I know when I use Lyft in Las Vegas, I often do the ridesharing option, which means we have more than one trip in the same vehicle. I am wondering if Lyft has data they could share with you to show you the hotspots where people are asking for that service already.

M.J. Maynard:

I will have to check. I do not know right off the top of my head if having Google places construction on the platform. I do not know if that is something Google does or if there is a cost. What you are describing is exactly what we have with our partnership with Waze. We know we have a lot of usage, but I think, to your point, many folks who have an Apple phone do refer to Google Maps. I will get back to you on that particular question.

As far as data from the transportation network companies (TNCs), we receive no data at the RTC. The mobility app we have, we do know how many folks took a trip from our last bus stop to their place of employment. The TNCs do not share a lot of data. The data they do share, I believe, goes to the Nevada Transportation Authority within the Department of Business and Industry. I really cannot answer that question because that is not a piece of information we have access to.

Assemblywoman Peters:

That is good to know. You did say you have contracted with the TNC to provide ridesharing service. That is an interesting piece, and I am wondering if we can fill in the gap and see if they would share some of that data.

Regarding Google Maps, would you please share that information with staff to make sure the members all have access?

Chair Monroe-Moreno:

I would like to thank you for the overview. We have no further questions. Thank you for the information. That brings us to our last presentation from the Regional Transportation Commission of Washoe County.

William A. Thomas, Executive Director, Regional Transportation Commission of Washoe County:

Joining me today is our legislative representative, Michael Hillerby; deputy executive director, Amy McAbee Cummings; and director of public transportation and operations, Mark Maloney. We are appreciative of and thankful for this opportunity. This afternoon, I would like to familiarize the Committee with our organization and demonstrate how we hope to be a significant supporter of the Legislature's efforts to address critical infrastructure needs, actions to address climate change, and strategies to ensure we have a balanced transportation system to benefit our citizens and the state of Nevada.

Our organization has been in existence for about 56 years. I can proudly say we are an organization that models regional cooperation in solving community problems. We have five local officials who provide our oversight policy direction [page 2, [Exhibit J](#)]. Director Swallow, from the Department of Transportation, is an ex-officio member.

Much like the Regional Transportation Commission (RTC) of Southern Nevada, we provide metropolitan planning organization services, public transportation, and engineering and construction [page 3]. As Ms. Maynard pointed out, we are actually unique nationally. There are not many organizations that provide all three of these functions. It gives us an opportunity to create a unity of purpose and ensure maximum response in our coordinated response for transportation issues.

We all know the transportation sector of our economy is a significant contributor to greenhouse gases [page 4]. As we move to develop strategies and actions to address climate change, I would offer that Regional Transportation Commission (RTC) of Washoe County has been, and will continue to be, a significant player in the effort to reduce the impact of automobiles on our environment, and we are well suited to assist in addressing climate change.

The most impactful resource we have is our fixed-route transit system. As you can see, the majority of our trips are currently for essential purposes. We supply transportation to those who are challenged by our transportation system to address their needs for work trips, doctor's appointments, and trips to grocery stores, drug stores, et cetera. While these types of trips will continue to be the mainstay of our system, if we want to make an impact on transit, we need to find ways to get more people on the bus.

The most productive part of our system is what we call Bus Rapid Transit (BRT) [page 5]. As you can see, about a quarter of our trips occur on these two corridors. For those of you who are unfamiliar with the "BRT" term, think of it as a train system with rubber tires. It is fixed in the sense that capital required to construct is significant and not easily replicated. This route, in combination with 4th Street and Prater Way, represents an investment, both federally and locally, of about \$150 million. As I just said, it is difficult to replicate this in our community in other locations. We do have plans to extend the system to the west on 4th Street and further along South Virginia Street.

We need to effectively address climate change and optimize significant public investment in our BRT system to find ways to bring people to the system [page 6]. In other words, as I pointed out, we have a very large investment and we need to find ways to bring people to it. It is very difficult to move fixed-route to the people. We need to figure out strategies, as we deal with our horrible housing crisis, to bring people closer in to ride our transit. To make this happen, we are going to have to be creative as a government as we work with private sectors to deliver more dense housing to these specific areas, if we want to succeed, to make sure everyone wins.

The urban patterns in our state are primarily suburban in nature [page 7]. That means that bringing traditional fixed-route to people is cost prohibitive in the long term, and it is also highly nonproductive. The method of public transit that has the most potential to connect people in need in our community is by using microtransit. We have implemented what we call our FlexRIDE service, which marries the mass-transit side of public transit with the demand-based desires of the public to ride a more scalable response. The new method has shown success in several subareas, and our community has learned how to integrate this into our fixed-route system to meet people's demands. I will point out, we are finding that not every place is successful at microtransit, but it gives us a tool to test our community.

I would like to talk further about climate change [page 8]. We started adding electric buses in 2014 to reduce our environmental impact on the community. I am proud to say that we just recently added two more electric buses to our fleet, which brings our percentage to about 33 percent. We have also been incrementally adding necessary charging facilities in our network to support this change in fuel source.

This graph demonstrates the quantitative benefits of our efforts [page 9]. As you can see, our transit system over the past three quarters has ranged from 5 to 7 million pounds of CO₂ emitted that has been reduced by our transit system. That is quite impressive in terms of the climate change impacts.

In addition to answering the climate change challenge, we are also actively pursuing actions to address equity and environmental justice [page 10]. We are doing this by actively targeting some of our established neighborhoods where we work on improvements to benefit safety, particularly for residents, by adding sidewalks, crosswalks, and other pedestrian enhancements.

All the benefits I have just reviewed are primarily funded by two revenue sources [page 11]. Fuel tax, which makes up close to 50 percent of our revenue, is the source for all roadway and safety improvements. Sales tax is the funding source for our transit system.

This past year, federal support has increased significantly, particularly in the area of funding operations for transit. Prior to the pandemic, the federal government did not fund operations, and solely kept their contributions to capital and bus maintenance. This particular change in funding is critical to us, and what the future holds will be telling to our ability to meet the transit needs of our community. As far as how we spend our resources, you can see from this graph [page 12] that most is spent on transit and roadway preservation and mobility, with a smaller portion spent on roadway projects.

In looking at our major funding source, fuel tax, it is important to acknowledge the foresight of the Legislature starting in 2003 and the desire of voters to approve an indexing of our fuel tax [page 13]. This indexing has allowed us to maintain our ability to fund our system in response to ever-increasing prices. I might point out, however, that the pandemic has exposed, much like we heard from Ms. Swallow, the risk of this funding source. For the first time since indexing was implemented, fuel tax has gone down year-over-year in absolute terms. In fact, this past year we were \$6 million under budget from what we had projected based on past revenues we had received, which reduced our ability to respond to our community needs.

As far as impact on local and state economy, I prepared this slide [page 14] to show that our expenditures in the fourth quarter of 2020 directly resulted in about 1,700 jobs in our community.

The last point I want to mention is the important work of the Legislative Committee on Energy's subcommittee [Senate Concurrent Resolution 3 of the 80th Session]. I want to thank the Chair for allowing us to participate in that effort. We are looking forward to working with the Committee to see how we can address what is a pending and critical need to talk about how to replace fuel tax.

I will conclude the presentation, and we are available for any questions you might have.

Chair Monroe-Moreno:

Thank you for the presentation and for your work on those conversations we tried to get through in the interim on the Legislative Committee on Energy. There are a few questions from the members.

Assemblywoman Summers-Armstrong:

You said you have received federal funding that you are able to use for operations. Did I hear that properly?

Bill Thomas:

Yes, that is correct.

Assemblywoman Summers-Armstrong:

Do you believe this is a trend that will continue, or is this just during the pandemic?

Bill Thomas:

It started with the pandemic. It looks like the most recent conversations at the federal level indicates they are going to continue to provide money for operations. We have our fingers crossed, but it is a question I cannot answer very well because it really depends on the federal budget and what they do in Washington, D.C. Certainly, we are lobbying to keep that money available for operations.

Assemblywoman Summers-Armstrong:

How would that change the landscape for your transit operations if you were able to depend on the supplements from the federal government for operations for the next three to five years?

Bill Thomas:

The biggest benefit will be the ability to keep us from having to reduce service and actually help us get people on the bus. We all know it is a demand-oriented customer that we have right now. The challenge with transit is we have to get people to change their behaviors and patterns to use what is a fixed system. To the extent that we can get this kind of money, it allows us to run our buses more frequently, which means we get more people to ride the bus. I would say that is the biggest benefit by allowing us to run ten-minute routes, which really increases the number of people riding the bus. If we lose that money, our answer is to cutback, which is what happened with RTC of Southern Nevada where the service was reduced. That results in fewer people being able to make those critical trips, as well as the productivity of those routes goes down significantly.

Assemblywoman Peters:

I want to clarify that you said those federal dollars were related to COVID-19 funds, or were those separate from the COVID-19 dollars that came into the state?

Bill Thomas:

We received a direct allocation that was tied to the pandemic. I think most people think of the Coronavirus Aid, Relief, and Economic Security (CARES) Act public money, but it was specific money that went to the Federal Transit Administration, U.S. Department of Transportation, which could then be allocated to local transit agencies of a certain size, based on a formula that was predetermined. It was CARES money, but it was not CARES money that went to the state or local governments.

Assemblywoman Peters:

My other question is more of a follow-up question. The slide that showed the greenhouse gas emission reductions [page 9] is only for 2020. I am curious what it looks like compared to 2019 if you were collecting that data. If you have that information, would you mind compiling it and sending it to staff to distribute?

Bill Thomas:

I would be glad to do that [[Exhibit K](#)].

Chair Monroe-Moreno:

There are no further questions from the Committee. Thank you for the presentation, and we truly appreciate it.

The last item on the agenda is public comment. Is there anyone waiting for public comment? As a reminder, you can register online to either speak to the Committee by phone or on the webpage for today's meeting located on the Nevada Electronic Legislative Information System located on the legislative website. You will see buttons allowing you to submit your online opinions or participate in writing or by phone. If you are calling in, please remember to clearly and slowly state and spell your name for the record after you unmute your phone. We ask that you limit your comments to three minutes or less to accommodate comments from others.

Paul J. Enos, Chief Executive Officer, Nevada Trucking Association:

I would like to take this opportunity to say thank you to our two state agencies that presented today, the Department of Transportation (NDOT) and the Department of Motor Vehicles (DMV). They have been absolutely phenomenal in working with my folks through the pandemic.

In Nevada, 92 percent of all of our freight is delivered by truck. While we had rest stops closing around the country, NDOT kept them open. The DMV still had their operations available for our people to be able to get their permits, to be able to get folks in for driver's licenses, and to continue operating truck driving schools.

We are a state that really did a great job considering everything we were dealt. I just want to thank the folks at DMV and NDOT for their leadership.

Chair Monroe-Moreno:

We will see you for your presentation soon, Mr. Enos. I am sure the agencies appreciate your comments today.

There is no one else for public comment. That will conclude this meeting for today. I would like to thank our presenters, the Committee, our broadcast staff, and members of the public who have joined us virtually here today. The next meeting will be Thursday, February 11, at 1:30 p.m. We will have several presentations from agencies involved in Nevada's transportation and energy sectors.

This meeting is adjourned [at 3:59 p.m.].

RESPECTFULLY SUBMITTED:

Lori McCleary
Committee Secretary

APPROVED BY:

Assemblywoman Daniele Monroe-Moreno, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a copy of a PowerPoint presentation titled "Department of Motor Vehicles, NRS 481: Department Overview," dated February 9, 2021, presented by Julie Butler, Director, Department of Motor Vehicles.

[Exhibit D](#) is written testimony presented by Julie Butler, Director, Department of Motor Vehicles.

[Exhibit E](#) is a copy of a PowerPoint presentation titled "Legislative Committee on Growth and Infrastructure," dated February 9, 2021, presented by Kristina L. Swallow, P.E., Director, Department of Transportation.

[Exhibit F](#) is a document titled "One Nevada Transportation Plan," submitted by Kristina L. Swallow, P.E., Director, Department of Transportation.

[Exhibit G](#) is a document titled "2020 Quick Facts and Figures," submitted by Kristina L. Swallow, P.E., Director, Department of Transportation.

[Exhibit H](#) is a document titled "2020 Annual Report," submitted by Kristina L. Swallow, P.E., Director, Department of Transportation.

[Exhibit I](#) is a copy of a PowerPoint presentation titled "RTC Overview & Priorities," presented by M.J. Maynard, Chief Executive Office, Regional Transportation Commission of Southern Nevada.

[Exhibit J](#) is a copy of a PowerPoint presentation titled "Assembly Committee on Growth and Infrastructure," dated February 9, 2021, presented by William A. Thomas, Executive Director, Regional Transportation Commission of Washoe County.

[Exhibit K](#) is a letter addressed to the Assemblywoman Monroe-Moreno, dated February 10, 2021, submitted by William A. Thomas, Executive Director, Regional Transportation Commission of Washoe County.