

**GENERAL GOVERNMENT
JOINT SUBCOMMITTEE
CLOSING LIST #1
April 16, 2015**

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Title: JUDICIAL COLL & COLL OF JUVENILE & FAMILY JUSTICE
 Account: 101 - 1302

Budget Page: ADMIN-12, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
GENERAL FUND	130,430	130,430		130,430		130,430	
Total Revenues	130,430	130,430		130,430		130,430	

Total FTE

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0
Total				0	0
Grand Total General Fund Impact of Closing Changes				0	0

Overview

The National Judicial College (NJC) and the Louis W. McHardy National College of Juvenile and Family Court Judges (NCJFCJ), located on the campus of the University of Nevada, Reno, are nonprofit nationally recognized leaders in judicial education and training. The mission of the NJC is to improve justice by providing proficiency, performance training, productivity training, and education to judges. The mission of the NCJFCJ is to provide meaningful assistance to judges, court administrators and related professionals whose primary concerns are the care of children and their families.

Major Closing Issues

There are no major closing issues.

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

Additional Information – No Action Required

1. Funding Level (SUMMARY, ADMIN-12): The Executive Budget recommends total General Fund appropriations of \$130,430 in each year of the 2015-17 biennium, of which \$86,954 is recommended to be allocated to the NJC and \$43,476 is recommended to be allocated to the NCJFCJ in each fiscal year. The NJC and NCJFCJ previously received General Fund appropriations totaling \$375,000 per year; however, due to budget reductions implemented by the state during the economic downturn, the base budget has been reduced to \$130,430 in each fiscal year. A history of state

funding for the NJC and the NCJFCJ over the past several biennia, as well as the funding level recommended in the Governor's budget for the 2015-17 biennium, is illustrated in the following table:

General Fund Appropriations	Actual											Governor Recommended	
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
NJC	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 231,250	\$ 214,700	\$ 198,597	\$ 86,954	\$ 86,954	\$ 86,954	\$ 86,954	\$ 86,954	\$ 86,954
NCJFCJ	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 111,875	\$ 107,350	\$ 91,248	\$ 43,476	\$ 43,476	\$ 43,476	\$ 43,476	\$ 43,476	\$ 43,476
Total State Support	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ 343,125	\$ 322,050	\$ 289,845	\$ 130,430	\$ 130,430	\$ 130,430	\$ 130,430	\$ 130,430	\$ 130,430

In FY 2014, the National Judicial College provided education and training to 7,681 judges, judicial officers, attorneys, and others across the nation, including 203 from Nevada. The Louis W. McHardy National Counsel of Juvenile and Family Court Judges provided education and training to 6,733 judges, judicial officers, attorneys, and other juvenile and family court-related professionals across the nation, including 586 from Nevada.

Additionally, according to information provided by the NJC subsequent to the March 18, 2015, hearing of the Joint Subcommittee on General Government, in FY 2014, the National Judicial College trained a total of 90 judges and other related professionals in the North and 80 judges and other related professionals in Southern Nevada. The NJC also offered two classes in the Las Vegas area, the majority of which were attended by Las Vegas judges: Human Trafficking and Its Impact on State and Provincial Court Practices (23 in attendance), and Handling Capital Cases for Las Vegas District Court Judges (50 in attendance).

In FY 2014, the NCJFCJ trained six court-related professionals from Las Vegas. Annually, the National College of Juvenile and Family Justice partners with the Nevada Court Improvement Program to convene leaders from all ten judicial districts in Nevada for the Nevada Community Improvement Council Summit to provide technical assistance to the Nevada Judicial Districts' Community Improvement Councils. Other Las Vegas activity includes the Las Vegas NCJFCJ Mentor Dependency Model Courts, a Blue Ribbon for Kids Commission to examine and create a plan for the reform of foster care in Clark County, and the NCJFCJ has also worked with Clark County to develop and implement a dependency mediation program for parents and stakeholders who are in the midst of the juvenile dependency system to avoid further litigation through voluntary case solutions.

2. **Performance Indicator:** Pursuant to the request of the money committees during the 2007 Legislative Session, the NJC and the NCJFCJ, with the assistance of the Department of Administration, developed a performance indicator to show how the State General Fund appropriation is used to assist the colleges in obtaining private and public funding. The NJC's and the NCJFCJ's combined performance indicator, information that was not included in The Executive Budget, is listed in the following table:

Combined Performance Indicator for the National Judicial College and the National College of Juvenile and Family Court Judges									
Combined NJC and NCJFCJ Performance Indicator	Actual				Governor Recommended / NJC & NCJFCJ Projected				
	FY 2013	FY 2014	% change from prior year	FY 2015	% change from prior year	FY 2016	% change from prior year	FY 2017	% change from prior year
General Fund	\$ 130,430	\$ 130,430	0.0%	\$ 130,430	0.0%	\$ 130,430	0.0%	\$ 130,430	0.0%
Contributions, grants and federal funding generated with assistance of state funding	\$ 6,599,985	\$ 7,173,510	8.7%	\$ 6,334,259	-11.7%	\$ 5,052,000	-20.2%	\$ 5,282,000	4.6%

The total amount of contributions, grants and federal resources generated with the assistance of state funding (reported as a measure of performance in the previous table), increased from \$6.6 million in FY 2013 to \$7.2 million in FY 2014 and is projected to decrease to \$6.3 million by the end of FY 2015. For the upcoming biennium, the NJC's and the NCJFCJ's non-state revenues are projected to further decrease to \$5.1 million in FY 2016 and increase slightly to \$5.3 million in FY 2017. Given the volatility in the funding levels of contributions, grants, and federal funding generated with the assistance of state funding, there does not appear to be a strong correlation between the level of state funding provided and the level of non-state funding generated. Non-state revenues were not included in The Executive Budget.

Title: ADMINISTRATION - ADMINISTRATIVE SERVICES
 Account: 716 - 1371

Budget Page: ADMIN-113, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
BALANCE FORWARD	32,291	417,368	1192.52	398,102	(4.62)	245,690	(38.28)
INTERAGENCY TRANSFER	2,469,094	2,504,594	1.44	2,734,559	9.18	2,766,590	1.17
Total Revenues	2,501,385	2,921,962	16.81	3,132,661	7.21	3,012,280	(3.84)
Total FTE		33.00		33.00		33.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
E720	00	2511	Decrease balance forward due to requested elimination of Decision Unit E-720		(1,692)
E720	00	3831	Decrease Administrative Assessment funding due to requested elimination of Decision Unit E-720	(15,228)	1,692
Sub-total				(15,228)	0
Line Item Changes to Revenues				(15,228)	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
E720	26	7000	Decrease expenditure authority due to the requested elimination of Decision Unit E-720	(13,536)	
E720	86	9000	Decrease reserve balance due to the requested elimination of Decision Unit E-720	(1,692)	
Sub-total				(15,228)	0
Line Item Changes to Expenditures				(15,228)	0

Total				0	0
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Grand Total General Fund Impact of Closing Changes				0	0
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Overview

The Administrative Services Division (ASD) provides fiscal and administrative support to the divisions of the Department of Administration, as well as fiscal services to the Board of Examiners, the Office of the Governor, Governor’s Mansion, Agency for Nuclear Projects, State Energy Office, Civil Air Patrol, Deferred Compensation Committee, Ethics Commission, Judicial Discipline Commission, and the Commission for Women. Beginning in FY 2016, The Executive Budget recommends that ASD provide fiscal and support services to the Office of the Lieutenant Governor. The division is funded entirely through an administrative assessment charged to the other divisions within the Department of Administration and the other agencies utilizing its services.

Major Closing Issue

Enterprise IT Services (EITS) Programming Costs

Discussion of Major Closing Issue

Enterprise IT Services (EITS) Programming Costs (E-226, ADMIN-115): The Governor recommends administrative assessment funding totaling \$156,250, and reserve funding totaling \$27,191 over the 2015-17 biennium to fund the programming costs to upgrade the Nevada Project Accounting System (NPAS), which was built in 2005, and is used to track Capital Improvement Projects (CIPs). The ASD indicates the system needs to be updated in order to become compatible with the new version of Internet Explorer. The estimated programmer hours required to complete the upgrade are 1,167 hours in FY 2016 and 583 hours in FY 2017. According to the ASD, the NPAS system exports data into the Advantage System and allows ASD to track project costs and contracts over multiple years for the CIPs, unlike the Advantage System which only tracks costs one year at a time. During the March 18, 2015, budget hearing, the ASD testified that no new functionality is planned with this upgrade, and expects no additional maintenance costs associated with the upgrade. **Based on the information and testimony provided, this recommendation appears reasonable.**

Does the Subcommittee wish to approve administrative assessment funding totaling \$156,250, and reserve funding totaling \$27,191 over the 2015-17 biennium to fund the programming costs to upgrade the Nevada Project Accounting System?

Other Closing Items

1. **Position Reclassification (E-225, ADMIN-115):** The Governor recommends administrative assessment funding totaling \$29,329 over the 2015-17 biennium to fund the costs associated with the proposed reclassification of a vacant Account Technician position to a Budget Analyst position to support divisions with complex budgets. Of this amount, \$1,892 is recommended to increase the agency's reserves. The ASD indicates this reclassification is necessary to better distribute the budgeting workload within the ASD and to have another senior level budget analyst to support divisions with more complex budgets. The proposed reclassified position would supervise and train, as well as support financial planning and management, and fiscal implementation and tracking. **This recommendation appears reasonable to staff.**
2. **Increased Training (E-227, ADMIN-116):** The Governor recommends administrative assessment funding totaling \$7,403 over the 2015-17 biennium to fund customer service and accounting training needs for the agency. Of this amount, \$435 is recommended to increase the agency's reserves. The ASD indicates this additional funding would allow five supervisors to attend Human Resource Management's Crucial Confrontation course, as well as six employees to be reimbursed for accounting courses at Western Nevada College upon receiving a grade C or better. **This recommendation appears reasonable to staff.**
3. **Replacement Equipment (E-710, ADMIN-116 and 117):** The Governor recommends administrative assessment funding totaling \$15,835 over the 2015-17 biennium to replace 12 desktop computers and one laptop computer. Of this amount, \$1,024 is recommended to increase the agency's reserves. **This recommendation appears reasonable to staff.**
4. **New Scanners (E-720, ADMIN-117):** The Governor recommends administrative assessment funding totaling \$15,228 in FY 2016 to purchase eight scanners to manage over 200 accounts payable and accounts receivable documents each day. Of this amount, \$1,692 is recommended to increase the agency's reserves. Fiscal staff notes that the ASD has indicated that the eight scanners recommended in this decision unit will not be needed until the 2017-19 biennium, after the NPAS system has been updated. **Accordingly, Fiscal staff has made a technical adjustment to eliminate Decision Unit E-720, which is reflected on the first page of the closing document.**

5. New Services for Office of Lieutenant Governor (E-800, ADMIN-117 and 118): Beginning in the 2015-17 biennium, the Governor recommends that the ASD provide payroll, accounts payable and budget analysis services to the Office of the Lieutenant Governor. The Department of Tourism and Cultural Affairs previously performed this function for the Office of the Lieutenant Governor. The Executive Budget Office indicates that the department's two-person fiscal staff processes a high volume of travel and international contract payments, and was working over capacity. The Executive Budget Office further states that it is reasonable for the fiscal function of the Lieutenant Governor to be handled by the ASD, which also provides fiscal and administrative support to the Governor's Office. In support of this proposal, The Executive Budget includes an increase of administrative assessments with a corresponding increase to reserves in the amount of \$10,175 in each fiscal year of the 2015-17 biennium. **This recommendation appears reasonable to staff.**
6. Cost Allocation Adjustments (E-801 and E-804, ADMIN-118): The Governor recommends reserve funding of \$25,070 in FY 2016 and \$22,352 in FY 2017 to fund increases in the Department of Administration Director's Office cost allocation. Additionally, the Governor recommends reserve funding totaling \$2,265 over the FY 2015-17 biennium for increases in the Division of Human Resource Management cost allocation for centralized personnel services. **These recommendations appear reasonable to staff.**

Fiscal staff recommends this budget be closed as recommended by the Governor, with the technical adjustment to eliminate Decision Unit E-720 for eight scanners, and requests authority for Fiscal staff to make other technical adjustments as necessary.

Title: AGRI - ADMINISTRATION
 Account: 101 - 4554

Budget Page: AGRICULTURE-5, Volume I

Revenues	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
BALANCE FORWARD	(7,141)	7,141	(200.00)	7,141		7,141	
FEDERAL FUND							
GENERAL FUND	40,000	40,000		40,000		40,000	
INTERAGENCY TRANSFER	2,655,037	2,708,052	2.00	2,960,068	9.31	2,684,707	(9.30)
OTHER FUND	8,466	10,020	18.36	7,240	(27.74)	7,240	
Total Revenues	2,696,362	2,765,213	2.55	3,014,449	9.01	2,739,088	(9.13)
Total FTE		17.00		20.00		20.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0

Total	0	0
Grand Total General Fund Impact of Closing Changes	0	0

Overview

The Administration Division provides oversight and guidance to all programs and activities within the Department of Agriculture. The Board of Agriculture, consisting of 11 members representing various aspects of agricultural and related industries, sets policy for the department, which the Director administers. This division also provides accounting, payroll, fiscal, planning, and other support services to the department.

Major Closing Issues

1. Metro Building Renovation
2. New Public Information Officer
3. New Administrative Assistant Position
4. Transfer of Marketing Coordinator Position
5. Carson City Lease

Discussion of Major Closing Issues

1. **Metro Building Renovation:** Although not reflected in The Executive Budget, on April 10, 2015, the Nevada Department of Agriculture (NDA) and the Executive Budget Office spoke with Fiscal staff and requested the Subcommittee consider authorizing cost allocation funds of \$632,969 in FY 2016 to fund renovation projects on the Metro Building in Las Vegas, which would allow the NDA to move out of its existing building and occupy the Metro Building in FY 2016.

The Metro Building sits on a large city block on East Sahara Avenue that is owned by the state and includes numerous state buildings, including the Metro Building, an existing NDA building, a state Buildings and Grounds (B&G) building, and a Department of Motor Vehicles (DMV) field office. According to the State Public Works Division (SPWD), the Metro Building was constructed in 1978 and was used by the Las Vegas Metropolitan Police Department until 2012 when the state assumed ownership of the building. The building has been vacant since that time.

The State Public Works Board’s requested 2015-17 biennium Capital Improvement Program (CIP) included a \$7.7 million project for improvements to the Metro Building to accommodate NDA and B&G staff and provide the building improvements necessary to operate a certified metrology laboratory. This request included numerous improvements including the installation of a new roof, fire sprinkler system, carpeting, and a mezzanine level above the high bay storage area. The SPWD’s planned renovation or replacement of the Metro Building was not included in the Governor’s recommended CIP for the 2015-17 biennium; however, funding of \$253,752 was included in the CIP for minimal repairs to the building (Project C05). These minimal repairs would allow state B&G staff to temporarily move into the Metro Building from their nearby existing location, which must be demolished to accommodate construction of the new Sahara DMV field office. The NDA and the Executive Budget Office request a revision to this plan by moving its staff into the Metro Building and moving B&G staff into the NDA’s existing building. The NDA would assume ownership of the Metro Building, while B&G would assume ownership of the existing NDA building.

As previously indicated, the NDA is now requesting additional cost allocation funding of \$632,969 in FY 2016 for improvements to the Metro Building that would be needed in order for the department’s Las Vegas staff to move into the building. According to the NDA, the Metro Building has warehouse space to store food for the Commodity Food Program and an area for Consumer Equitability to conduct testing. This cost allocation would only include those department budgets that would utilize space within the Metro Building, with costs allocated to the following budgets based on the budget’s share of the building’s square footage:

Budget Account		Amount
4545	Agriculture Registration/Enforcement	\$36,332
4551	Consumer Equitability	\$348,846
1362	Commodity Food Program	\$221,794
4470	Dairy Commission	\$25,997
Total		\$632,969

The planned improvements for the Metro Building include the following:

Phase	Repairs	Cost
Phase I: General Building Repairs	Install fire sprinkler upgrade and fire alarm system; connect water main to municipal water; repair roof; repair pavement to be compliant with Americans with Disabilities Act (ADA) requirements; contract for janitorial services, landscaping services, electrical work, and civil engineer drawings; and construction permitting.	\$270,069
Phase II: Interior Modifications	Demolish and relocate interior non-load-bearing walls, remodel restrooms to be ADA compliant, remodel interior break room kitchen, and install ADA-compliant drinking fountains.	\$50,000
Phase II: Consumer Equitability Repairs	Purchase weight trolley system to bring weights into the building, install steel posts and rails for trolley system, install HVAC and humidity control system, install exterior double doors, purchase NIST scale bench, and purchase fume hood and isolated HVAC system for the petroleum laboratory.	\$243,000
Phase II: Food Distribution Repairs	Install rack storage system for pallets, excavate new loading dock, install fire suppression system at loading dock, install rail system for forklifts, cut block wall to create an interior service door, repair existing swamp coolers and service heaters.	\$59,000
Travel	Ten trips from Sparks to Las Vegas for the department's facilities manager (Program Officer) and six trips from Sparks to Las Vegas for the Director. These positions would meet with contractors, complete some interior work, and provide general project oversight during the remodel project.	\$10,900
Total		\$632,969

Fiscal staff notes that the SPWD prepared a facility condition analysis report in 2012, which identified repairs totaling \$918,975 for the Metro Building. The facility condition analysis is a planning level document to identify ADA upgrades, renovations, and maintenance needed for staff to occupy the Metro Building. The NDA appears to have considered most of these repairs in its stated plan; however, some suggested repairs such as building insulation and carpet replacement do not appear to be included in the department's current planned improvements for the building. The department indicates those repairs would occur in future biennia.

As the Subcommittee may recall during the department's budget hearing on February 4, 2015, the NDA's current building in Las Vegas houses a metrology laboratory, which is unable to be recertified by the National Institute of Standards and Technology (NIST) due to a lack of temperature control and a continuous rail system to bring heavy weights into the building. Fiscal staff notes the department is currently able to test commercial scales, fuel pumps, and fuel quality in the Las Vegas area; however, the department is unable to certify weights for registered service agents who repair and test scales due to the lack of a certified metrology laboratory. The department indicates that the metrology laboratory in the Metro Building could be certified by NIST approximately 45 days after the remodel is complete.

Fiscal staff questioned the NDA on the need to move into the Metro Building instead of waiting to include the Metro Building in a future CIP. By moving into the building, the NDA indicated it would retain ownership of the property housing its Las Vegas staff, which the department maintains would cost less than moving into leased or B&G-owned property. In addition, the NDA indicates the Metro Building has space available to store dry food for its Commodity Food Program, which would allow the NDA to terminate its use of private warehouse space in Las Vegas. According to The Executive Budget, the cost of this leased warehouse space is projected to be \$59,215 in each year of the 2015-17 biennium. The department has confirmed that if its Las Vegas office is relocated to the Metro Building, the annual cost of the private, leased warehouse space of \$59,215 could be eliminated from the Commodity Food Program budget in FY 2017, which would provide the department with one year to transition storage to the Metro Building.

Does the Subcommittee wish to approve the department's request to renovate and assume ownership of the Metro Building in Las Vegas? If approved, Fiscal staff requests authority to eliminate the cost of leased warehouse space in FY 2017 from the Commodity Food Program budget and enter any necessary technical adjustments.

2. New Public Information Officer (E-227, AGRICULTURE-7): The Governor recommends total funding of \$59,537 in FY 2016 and \$69,572 in FY 2017 for a new Public Information Officer (PIO) position, which includes General Fund appropriations of \$13,064 in FY 2016 and \$15,266 in FY 2017 transferred from the contributing budgets through the division's cost allocation. The Executive Budget indicates the new PIO position would be supervised by an existing PIO position and would be responsible for preparing department promotions and communications, implementing social media, writing scripts and producing videos, developing strategic communication plans, providing news media interviews and news releases, preparing public service announcements, creating presentations for the state Board of Agriculture, and preparing department material for trade shows and conferences. During the budget hearing on February 4, 2015, the department indicated that it utilized a temporary contract position to meet its public relations needs in FY 2014. The department indicated this temporary position created 53 videos that were used in various social media campaigns for the department to promote the new school meal pattern, as well as other department programs. The department indicated the new PIO position would provide technology and videography services that would allow the department to create additional videos and media campaigns.

As noted during the department's budget hearing on February 4, 2015, the department has four other existing marketing and public information positions. According to the department, these four positions perform the following functions:

- Public Information Officer – Manages the department's public relations program, coordinates all external press and media communications for the agency, communicates regulatory changes, reviews all media activities that are produced or released by the agency.
- Marketing Coordinator - Responsible for inter-state and intra-state marketing of all Nevada agricultural products, international marketing of Nevada's agricultural products, and leveraging USDA grant funds to bring more agricultural processing and distribution businesses into the state.
- Literacy Coordinator - Works with Nevada Department of Education, agricultural industry associations, agriculture youth organizations, the Nevada System of Higher Education institutions, and the United States Department of Agriculture's Agriculture Literacy Project to ensure that students and adults are educated on the impact of agriculture on the national and state economy, the environment, and American culture. The position also promotes the awareness and importance of food security and a healthy food supply, and works with 4-H and the Future Farmers of America (FFA) organizations to ensure these programs are aware of the emerging needs of the agriculture industry in the state.
- Education and Information Officer - Works with the USDA National Agriculture Statistics Service to produce a yearly agriculture industry report that can be used by the agriculture industry to determine agriculture markets and opportunities. Develops, coordinates, and presents educational programs and projects involving the agricultural industry; performs statistical research and analysis to determine training and education program needs of the community; provides information and technical assistance to public, other governmental agencies, and department staff on agriculture education.

For comparison purposes, the following state departments have approved PIO positions; however, the number of positions varies by department.

Department	Number of Public Information Officer Positions
Department of Education	1.0 FTE
Public Employees' Benefit Program	1.0 FTE
Department of Employment, Training, and Rehabilitation (DETR)	1.0 FTE
Nevada Department of Wildlife	2.0 FTE
Department of Motor Vehicles	2.0 FTE

Other larger departments, such as the Department of Corrections and the Department of Administration, have no PIO positions. During the department's budget hearing on February 4, 2015, the department was asked why two PIO positions were needed. The department indicated that demand for public information services has increased since the initial PIO position was approved by the 2013 Legislature. The department indicates this is due to the creation of the Food and Nutrition Division in the department and the outreach and advertising efforts associated with the division and its various programs. The department also indicates that public records requests have increased, with the department responding to approximately 50 requests since December 2013. The department indicates that the time required to respond to these requests may vary from 10 minutes to 20 hours, depending on the size and scope of the request. As an example, the department indicates that the growing population of feral and estray horses on the Virginia Range creates numerous complaints from the public regarding horses in neighborhoods and on the roadways.

The department indicates that if this position is not approved, the existing PIO would assume the responsibilities identified for the proposed PIO position. If this new position is approved, Fiscal staff requests a technical adjustment for this decision unit to eliminate a new workstation and iPad for this position, which the department confirmed is not needed.

Does the Subcommittee wish to approve the Governor's recommendation for a new Public Information Officer position for the Administration Division? If approved, Fiscal staff requests authority to make the noted technical adjustment to eliminate expenditures for the workstation and iPad.

3. New Administrative Assistant Position (E-228, AGRICULTURE-8): The Governor recommends total funding of \$40,719 in FY 2016 and \$51,192 in FY 2017 for a new Administrative Assistant position, which includes General Fund appropriations of \$8,935 in FY 2016 and \$11,233 in FY 2017 transferred from the contributing budgets through the division's cost allocation. This position would provide administrative support to other division staff, coordinate communication between the Deputy Director and other staff, make travel arrangements, perform payroll functions, prepare budget reports, and compose correspondences. This position would also provide backup clerical support to the Executive Assistant position. According to the department, management-level staff are currently performing these duties. Fiscal staff would note the 2013 Legislature approved an Administrative Assistant position for the division; however, the department indicates that position serves as a receptionist and directs phone calls, schedules conference rooms, assists department visitors, and performs customer service and administrative tasks. The department indicates that the existing position is unable to assume the additional duties that are recommended for the new Administrative Assistant position.

At the department's budget hearing on February 4, 2015, the department indicated the recommended position would also be responsible for completing personnel paperwork for department staff, which was performed by temporary staff in the 2013-15 biennium. However, the 2011 Legislature approved the Governor's recommendation to eliminate a Personnel Technician position and funded the department to receive centralized personnel services from the Department of Administration's Division of Human

Resource Management's (DHRM) Agency HR Services (AHRM) Section. The Executive Budget reflects the department continuing to fund and receive centralized personnel services from the AHRM Section in the 2015-17 biennium. The department indicates that an AHRM Section staff member is currently on site four hours each week. Fiscal staff would also note the Governor recommends an additional staff member for the AHRM Section, which the DHRM indicates would increase the amount of time an AHRM Section staff member spends on site at the department to 12 hours each week. However, the department indicates that the DHRM staff member spends a majority of that time discussing personnel issues with department staff, which requires recruitment, employment interview, work performance standard, and performance evaluation paperwork to be completed by department staff. The department indicates the new Administrative Assistant position would complete this personnel-related paperwork, which would otherwise be completed by Division Administrators.

If this new position is approved, Fiscal staff requests a technical adjustment for this decision unit to eliminate a new iPad for this position, which the department confirmed is not needed.

Does the Subcommittee wish to approve the Governor's recommendation for a new Administrative Assistant position for the Administration Division? If approved, Fiscal staff requests authority to enter the noted technical adjustment for the iPad.

4. Transfer of Marketing Coordinator Position (E-500 & E-900, AGRICULTURE-10 & 13): The Governor recommends transferring the salary and operating expenditures associated with the Marketing Coordinator position (\$87,723 in FY 2016 and \$90,468 in FY 2017) from the Agriculture Registration/Enforcement budget to the Administration Division budget and funding the position through the division's cost allocation. The Executive Budget indicates this transfer would allow all marketing activities to be under the direction of the Director's Office.

The Marketing Coordinator was initially approved by the Interim Finance Committee (IFC) in October 2012. At that time, the department indicated the position would manage international marketing through the USDA Marketing Access Program, interact with the Western United States Agriculture Trade Association (WUSATA), support the "Nevada Grown" branding project, and promote local farmers markets. Due to IFC member concerns regarding a possible conflict with a position promoting the agriculture industry while residing in a division tasked with regulating the industry, this position was placed under the supervision of the Director's Office. However, the department currently supports the position's expenditures with revenue from the Agriculture Registration/Enforcement budget due to the position's involvement with the promotion of agriculture programs primarily housed in the Plant Industry Division. At the department's budget hearing before the General Government Joint Subcommittee on February 14, 2013, the department was asked whether this position should be supported utilizing the Administration Division's cost allocation. At that time, the department confirmed the position's funding source utilizing the Agriculture Registration/Enforcement budget was appropriate.

The department now indicates the position should be transferred to the Administration Division budget and supported with cost allocation funds as the transfer would improve the coordination of marketing activities. In addition, the department indicates supporting this position with cost allocation funds is appropriate since the items marketed by this position have changed over time to include agricultural products represented by all divisions within the department. Specifically, the department indicates this position markets beef for the Animal Industry Division, dairy products and food processors for the Food and Nutrition Division, and Nevada agricultural products at grocery stores that are served by the Consumer Equitability Division.

The Executive Budget includes annual travel expenditures of \$7,512 in the Agriculture Registration/Enforcement budget that are budgeted specifically for the Marketing Coordinator position, but were not included in Decision Unit E-900. If the Subcommittee approves this item, Fiscal staff

recommends a technical adjustment to transfer the associated travel expenditures from the Registration/Enforcement account to the Administration Division, and support the expenditures with the division's cost allocation.

Does the Subcommittee wish to approve the Governor's recommendation to transfer the Marketing Coordinator position to the Administration Division with the technical adjustment and fund this position through the division's cost allocation?

5. Carson City Office Lease (E-229, AGRICULTURE-8): The Governor recommends total funding of \$15,735 in FY 2016 and \$16,178 in FY 2017 for the department's leased office space on King Street in Carson City. The Carson City lease expenditures for FY 2015 were approved by the Interim Finance Committee in August 2014. At that time, the department indicated this space would serve as a secondary office for the Director, who has frequent meetings in Carson City; a secondary office for department staff members when they have meetings in Carson City; and an office and conference room that would be used by Nevada FFA staff. When discussing the initial Carson City lease with Fiscal staff in August 2014, the department indicated that the Nevada FFA organization would provide \$200 per month for the use of this space; however, the department now indicates that the noted \$200 per month collected from the FFA was meant to be a one-time reimbursement in FY 2015 only.

Does the Subcommittee wish to approve the Governor's recommendation for lease expenditures for the department's Carson City office with cost allocation funding, and allow the FFA to occupy a portion of this office space at no charge?

Other Closing Items

1. Information Technology Technician Travel (E-232, AGRICULTURE-9): The Governor recommends total funding of \$3,528 in each year of the 2015-17 biennium for the department's IT Technician position, which is stationed at the department's Sparks headquarters, to travel to the department's offices in Elko and Las Vegas three times each year to perform IT support and maintenance. The department utilizes the Department of Administration, Division of Enterprise IT Services for services related to the state IT network; however, department staff are responsible for the maintenance of the department's internal network. **This recommendation appears reasonable.**
2. World Agricultural Exposition Exhibit Space (E-234, AGRICULTURE-9): The Governor recommends total funding of \$3,000 in each year of the 2015-17 biennium for exhibit space at the World Agricultural Exposition in Tulare, California. The department indicates the exposition encourages the exportation of American goods and is attended by an average of 100,000 people from 48 countries. The department indicates its Marketing Coordinator position would attend this exposition. **This recommendation appears reasonable.**
3. Vehicle Transfer (E-501 & E-901, AGRICULTURE-10 & 13): The Governor recommends transferring to the Administration Division one vehicle and associated operating expenditures from the Commodity Food Program budget (E-901) and changing the funding source to cost allocation funds of \$2,929 in FY 2016 and \$2,925 in FY 2017 (E-501). The department indicates this vehicle would be used as a pooled vehicle for use by Administration Division employees. **This recommendation appears reasonable.**
4. Replacement Equipment (E-710, AGRICULTURE-11): The Governor recommends total funding of \$46,698 in FY 2016 and \$62,986 in FY 2017 to replace 1 server, 3 desktop computers, 3 dual computer monitors, 11 iPads used by members of the state Board of Agriculture, 10 Ethernet switches, 12 wireless access points, 3 projectors, 2 identification card printers, 1 remote access software package, and 6 Adobe software licenses. The department indicates the replacement server would

allow 18 individual servers to be consolidated onto a single server. **This recommendation appears reasonable.**

5. New Equipment (E-720, AGRICULTURE-12): The Governor recommends total funding of \$24,688 in FY 2016 and \$2,040 in FY 2017 for new IT equipment including two software packages containing economic data for Nevada, and one macro server and related hardware needed to provide a redundant backup server for the department to recover data if the department's main server fails. **This recommendation appears reasonable.**
6. Cost Allocation (E-804, AGRICULTURE-12): The Governor recommends total funding of \$497 in FY 2016 and \$669 in FY 2017 for enhancements cost allocated for centralized human resource services provided by the Department of Administration's Division of Human Resource Management. **This recommendation appears reasonable.**
7. Statewide Cost Allocation Plan and Attorney General Cost Allocation (SUMMARY, AGRICULTURE-14 & 15): Fiscal staff identified an issue with the calculation methodology used to determine the Department of Agriculture's share of the Statewide Cost Allocation Plan (SWCAP) and Attorney General Cost Allocation in the 2015-17 biennium. If this issue is corrected, the department's SWCAP would be reduced from \$724,663 in FY 2016 and \$410,574 in FY 2017 to \$171,091 in FY 2016 and \$91,428 in FY 2017. Similarly, the department's contribution to the Attorney General Cost Allocation would be reduced from \$75,183 in FY 2016 and \$82,553 in FY 2017 to \$17,751 in FY 2016 and \$18,383 in FY 2017. Fiscal staff discussed this issue with representatives from the Executive Budget Office who concurred with Fiscal staff's assessment. **Accordingly, Fiscal staff recommends technical adjustments to reduce the department's contribution to SWCAP by \$553,572 in FY 2016 and \$319,146 in FY 2017, and the department's contribution to the Attorney General Cost Allocation by \$57,432 in FY 2016 and \$64,170 in FY 2017, with corresponding adjustments in the division's cost allocation.**

Does the Subcommittee wish to approve the Other Closing Items as recommended by the Governor with technical adjustments to the Statewide Cost Allocation Plan and Attorney General Cost Allocation, and provide Fiscal staff with authority to make technical adjustments as necessary?

Title: AGRI - AGRICULTURE REGISTRATION/ENFORCEMENT
 Account: 101 - 4545

Budget Page: AGRICULTURE-16, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
BALANCE FORWARD	254,194	1,588,430	524.89	1,050,843	(33.84)	599,611	(42.94)
FEDERAL FUND	325,357	410,103	26.05	349,659	(14.74)	326,412	(6.65)
INTERAGENCY TRANSFER	82,815	95,052	14.78	37,247	(60.81)	37,379	0.35
OTHER FUND	2,203,568	1,997,477	(9.35)	2,140,589	7.16	2,224,528	3.92
Total Revenues	2,865,934	4,091,062	42.75	3,578,338	(12.53)	3,187,930	(10.91)
Total FTE		24.00		25.00		25.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	00	2511	Increase FY 2017 balance forward as a result of the increased transfer from BA 4540 in the base budget for PCN 16.		19,466
B000	00	4669	Increase transfer from BA 4540 in the base budget for PCN 16.	19,466	19,399
Sub-total				19,466	46,377
Line Item Changes to Revenues				19,466	46,377

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	86	9000	Increase FY 2016 and FY 2017 reserves as a result of the increased transfer from BA 4540 in the base budget for PCN 16.	19,466	38,865
Sub-total				19,466	46,377
Line Item Changes to Expenditures				19,466	46,377

Total				0	0
Grand Total General Fund Impact of Closing Changes				0	0

Overview

The Agriculture Registration and Enforcement Program supports the registration, inspection, sampling, and laboratory analysis of fertilizers, antifreeze, and pesticide products offered for sale. This program houses the pesticide application operator licensing program and the nursery licensing program. Under a cooperative enforcement agreement with the United States Environmental Protection Agency (EPA), the program also monitors the application of pesticides and enforces regulations to protect groundwater, agriculture workers, and endangered species. The main funding sources for this budget are fees paid by users and grants from the United States Department of Agriculture (USDA) and the EPA.

Major Closing Issues

1. Sagebrush Ecosystem Council and Technical Team Member Funding
2. Transfer of Two Positions from the Pest, Plant Disease, and Noxious Weed Control Budget

Discussion of Major Closing Issues

1. Sagebrush Ecosystem Council and Technical Team Member Funding (E-225 & E-226, AGRICULTURE-19 & 20): The Governor recommends increases in reserves of:
 - Decision Unit E-225: \$9,877 in each year of the 2015-17 biennium by discontinuing the Agriculture Registration/Enforcement budget's support of the state's nine-member Sagebrush Ecosystem Council, which develops strategies for the conservation of the Greater Sage-grouse and the sagebrush ecosystems.
 - Decision Unit E-226: \$46,707 in FY 2016 and \$46,557 in FY 2017 by discontinuing the Agriculture Registration/Enforcement budget's support for 50 percent of the expenditures of the department's staff member assigned to the state's Sagebrush Ecosystem Technical Team.

The Sagebrush Ecosystem Technical Team (SETT) was established for the conservation of the Greater Sage-grouse and its sagebrush ecosystem, and is comprised of members from the Department of Conservation and Natural Resources (DCNR), the Nevada Department of Wildlife (NDOW), and the Department of Agriculture. The Department of Agriculture's member, a Conservation Staff Specialist position, is housed in the Plant Health and Quarantine Services budget. Expenditures related to this position are currently funded 50 percent with General Fund appropriations and 50 percent with fund transfers from the Agriculture Registration/Enforcement budget. For the 2015-17 biennium, the Governor recommends funding the department's SETT member exclusively with General Fund appropriations.

The Executive Budget includes a Major Budget Initiative related to the Sagebrush Ecosystem Program, which includes funding all costs associated with the Sagebrush Ecosystem Council and DCNR SETT positions utilizing General Fund appropriations. Fiscal staff would note this Major Budget Initiative includes the discontinuation of the Department of Agriculture's use of fees from this budget to support the Sagebrush Ecosystem Council expenditures (E-225). The Governor's recommendation that the Department of Agriculture's SETT position be funded exclusively with General Fund appropriations (E-226) was not included in the Major Budget Initiative for the Sagebrush Ecosystem Program. The department indicates this recommendation would allow the fees to be used in the field to address noxious weeds and improve the Sage-grouse habitat.

Does the Subcommittee wish to approve the Governor's recommendation to discontinue the use of Agriculture Registration/Enforcement budget fees to support the Sagebrush Ecosystem Council and the department's Conservation Staff Specialist position assigned to SETT?

2. Transfer of Two Positions from the Pest, Plant Disease, and Noxious Weed Control Budget (E-520 & E-920, AGRICULTURE-21 & 24): The Governor recommends transferring two existing positions (one Program Officer position and one Agriculturist position) from the Pest, Plant Disease, and Noxious Weed Control budget to the Agriculture Registration/Enforcement budget. The Executive Budget indicates these positions were supported by the USDA Specialty Crop Block Grant; however, the grant no longer supports personnel expenditures. Accordingly, the Governor recommends transferring these positions to the Agriculture Registration/Enforcement budget and funding the personnel expenditures utilizing reserve reductions totaling \$144,075 in FY 2016 and \$145,511 in FY 2017.

The department indicates that the Program Officer position serves as the manager for the Organic Program and this position would be funded utilizing organic certification revenue currently held in reserve. The department indicates that organic certification revenue are not sufficient to fund all costs associated with this position. If required, the department indicates it will support a portion of this position utilizing Pest Control Operator License Fee revenue, which may be used to support the certification of organic agricultural products pursuant to NRS 561.375.

The department indicates the Agriculturist position serves as the manager for the Noxious Weed Program and this position would be funded by Pesticide Registration Fee revenue currently held in reserve. This position would assist the department with its efforts to address noxious weeds and the threat they pose in the sagebrush ecosystem.

Does the Subcommittee wish to approve the Governor's recommendation to transfer two positions from the Pest, Plant Disease, and Noxious Weed Control budget to the Agriculture Registration/Enforcement budget and fund the positions with reserve reductions?

Other Closing Items

1. Reserve Level (SUMMARY, AGRICULTURE-24, 25 & 26): During the department's budget hearing on February 4, 2015, the Subcommittee expressed concerns regarding the declining reserve level in the Agriculture Registration/Enforcement budget, noting the budget had a cash balance of \$1.8 million at the beginning of FY 2014 that is projected to decline to \$278,559 in FY 2017 as reflected in The Executive Budget. However, Fiscal staff has identified an issue in the calculation of the department's Statewide Cost Allocation Plan (SWCAP) contributions as mentioned in the Administration Division budget closing document, which when corrected, would improve the Registration/Enforcement's projected reserve level. Based on revised SWCAP contribution calculations, the Agriculture Registration/Enforcement budget would end FY 2017 with a reserve balance of \$808,342, which represent 104 days of operating expenditures. The reserve level, reflecting the noted adjustment, appears reasonable.
2. Revised Funding for Agriculturist Positions (E-230 & E-231, AGRICULTURE-20 & 21): The Governor recommends reserve reductions of \$38,932 in FY 2016 and \$38,798 in FY 2017 to fully fund two Agriculturist positions with revenue generated in the Agriculture Registration/Enforcement budget and discontinue partial support of these positions with a transfer of General Fund appropriations from the Plant Health and Quarantine Services budget. A 2010 audit by the Legislative Counsel Bureau determined the department was not properly aligning position expenditures with their appropriate revenue sources. For these two positions, the audit determined that 20 percent of the positions' time was spent performing non-fee funded program related functions. Accordingly, 20 percent of the expenditures for these positions were funded utilizing a transfer in General Fund appropriations from the Plant Health and Quarantine Services budget beginning in the 2011-13 biennium. The department indicates these two positions no longer support activities in the Plant Health and Quarantine Services budget and The Executive Budget reflects the termination of the General Fund appropriation transfer in the 2015-17 biennium. Fiscal staff researched the timesheet coding for these two positions in the state's payroll system and determined their time is being spent exclusively on fee-funded activities.

While reviewing this recommendation, Fiscal staff determined that the fund transfer from the Plant Health and Quarantine Services budget to support a portion of one of the two positions (PCN 16) was not reflected in the base budget. A technical adjustment to correct this funding discrepancy is reflected on the first page of this closing document. **This recommendation, as adjusted, appears reasonable.**

3. Equipment and Vehicle Replacement (E-710, AGRICULTURE-22): The Governor recommends a reserve reduction of \$5,976 and federal EPA Pesticide Enforcement revenue of \$25,349 in FY 2016 and a reserve reduction of \$13,861 in FY 2017 to replace 1 sport utility vehicle that is 24 years old with 108,000 miles, 6 desktop computers, 1 laptop computer, 1 laptop docking station, 1 flat panel monitor, and purchase 35 Adobe software license renewals per year. **This recommendation appears reasonable.**

4. Cost Allocation (M-800, E-800 & E-804, AGRICULTURE-19, 22 & 23): In Decision Units M-800 and E-800, the Governor recommends net reserve reductions of \$7,028 in FY 2016 and a net increase in reserves of \$68,830 in FY 2017 for cost allocation assessments related to maintenance and enhancement decision units in the department's Administration Division.

In Decision Unit E-804, the Governor also recommends reserve reductions of \$936 in FY 2016 and \$1,259 in FY 2017 for enhancements cost allocated for centralized human resource services provided by the Department of Administration's Division of Human Resource Management. **These recommendations appear reasonable.**

5. Transfer of Marketing Coordinator Position (E-900, AGRICULTURE-23): The Governor recommends an increase in reserves of \$87,723 in FY 2016 and \$90,468 in FY 2017 that would be realized by transferring the department's Marketing Coordinator position from the Agriculture Registration/Enforcement budget to the Administration Division budget and funding the position through the division's cost allocation. The Executive Budget indicates this transfer would allow all marketing activities to be under the direction of the Director's Office. This decision unit is discussed in the Administration Division budget. **Fiscal staff will ensure the decision made by the Subcommittee in the Administration Division budget is also reflected in the Agriculture Registration/Enforcement budget.**

Does the Subcommittee wish to approve Other Closing Items as recommended by the Governor, with the technical adjustments noted in Other Items #2, as well as authority to make other technical adjustments as necessary?

Title: AGRI - VETERINARY MEDICAL SERVICES
 Account: 101 - 4550

Budget Page: AGRICULTURE-43, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
FEDERAL FUND	64,644	86,120	33.22	25,871	(69.96)	25,871	
GENERAL FUND	924,761	894,326	(3.29)	1,166,746	30.46	1,115,854	(4.36)
INTERAGENCY TRANSFER	96,560	125,624	30.10	112,491	(10.45)	112,491	
OTHER FUND	2,988	3,520	17.80	2,988	(15.11)	2,988	
REVERSIONS	(61,300)						
Total Revenues	1,027,653	1,109,590	7.97	1,308,096	17.89	1,257,204	(3.89)
Total FTE		7.00		8.00		8.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
E352	00	2501	Reduce General Funds in Decision Unit E-352 to reflect elimination of new workstation for the Veterinary Diagnostician position.	(4,300)	
Sub-total				(4,300)	0
Line Item Changes to Revenues				(4,300)	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
E352	05	8000	Reduce expenditures in Decision Unit E-352 to reflect elimination of new workstation for the Veterinary Diagnostician position.	(4,300)	
Sub-total				(4,300)	0
Line Item Changes to Expenditures				(4,300)	0

Total				0	0
Grand Total General Fund Impact of Closing Changes				(4,300)	0

Overview

The Veterinary Medical Services Program provides diagnostic services to protect domestic and wild animals from communicable, infectious, nutritional, and parasitic diseases. The program also works to protect people from animal diseases that are transmittable to humans. Services are provided through the program's diagnostic laboratory in Sparks. The employees of the program evaluate specimens to determine the cause, effect, and method for control of animal diseases that may have an adverse economic or public health impact. The budget is funded primarily from General Fund appropriations, as well as United States Department of Agriculture (USDA) funds, agency laboratory service fees, veterinary inspection book sales, and subgrant transfers from the Division of Public and Behavioral Health for West Nile virus surveillance. The Veterinary Medical Services budget houses the Administrator position for the department's Animal Industry Division.

Major Closing Issues

1. New Veterinary Diagnostician Position
2. Revised Funding for Microbiologist Positions

Discussion of Major Closing Issues

1. New Veterinary Diagnostician Position (E-352, AGRICULTURE-45 & 46): The Governor recommends General Fund appropriations of \$101,505 in FY 2016 and \$122,026 in FY 2017 to restore a Veterinary Diagnostician position to operate the department's animal health laboratory in Elko, which was closed

when the position was eliminated in the 2011-13 biennium due to budget reductions. To continue providing eastern Nevada constituents with specimen testing, the department required constituents to ship their samples to the Sparks laboratory for analysis. Necropsy tests were no longer provided by the state in eastern Nevada after the laboratory closed; however, private laboratories were available to conduct these tests although at a higher cost than what the state charged. According to the department, 50 to 70 necropsy tests were performed annually at the Elko laboratory when it was operational.

The department indicates restoring the Veterinary Diagnostician position and resuming operation of the department's animal health laboratory in Elko would allow zoonotic diseases to be monitored in eastern Nevada. The department indicates that Equine Infectious Anemia (EIA) testing is not currently offered in the Elko area and producers must send these samples out of the area for testing. The department indicates that 300 to 800 EIA tests were performed annually at the Elko laboratory when it was operational. Beyond EIA testing, the department indicates that reopening the animal health laboratory in Elko would not result in any additional services beyond those provided by private practitioners in the area. According to the department, the largest number of tests performed at the Elko laboratory when it was operational was the T. fetus microscopy, with approximately 1,000 tests performed annually. However, these tests are also performed by private practitioners in the Elko area. The department indicates that the Elko laboratory would provide significant convenience to livestock producers in the area by providing services, including necropsies, in a more timely manner. The department indicates that the Elko Veterinary Diagnostician position would allow the department to quickly identify and respond to foreign animal disease identification in northeastern Nevada.

The Executive Budget does not include any increases in revenue related to restoring this position and reopening the Elko laboratory. The department indicates that no additional revenue would be generated from the restoration of this position since samples are currently shipped to the Sparks laboratory. The department also indicates that no additional equipment is needed to reopen the laboratory; however, a new workstation for the Veterinary Diagnostician position was included in The Executive Budget. Fiscal staff has entered a technical adjustment for this decision unit to eliminate the new workstation for this position, which the department confirmed is not needed.

Does the Subcommittee wish to approve the Governor's recommendation, with the technical adjustment noted by Fiscal staff, to restore a Veterinary Diagnostician position to operate the department's animal health laboratory in Elko?

2. Revised Funding for Microbiologist Positions (E-250, AGRICULTURE-45): The Governor recommends General Fund appropriations of \$21,751 in FY 2016 and \$22,541 in FY 2017 to fully support the salary expenditures for two existing Microbiologist positions with General Fund appropriations. The legislatively approved budget for the 2013-15 biennium includes the transfer of 15 percent of the salary cost for these two positions from the Livestock Inspection budget to the Veterinary Medical Services budget. This amount reflected the department's projection of the time these employees perform laboratory tests in support of the Livestock Inspection budget.

The Executive Budget indicates this recommendation would align the funding for these two positions with their duties based on FY 2014 activities. However, the department indicates that the two employees in these positions did perform laboratory tests in support of the Livestock Inspection budget in FY 2014, but did not code their timesheets to the specific job code associated with these tests. The department indicates these positions will continue to perform laboratory tests in support of the Livestock Inspection budget in the 2015-17 biennium. Accordingly, it appears this recommendation for the 2015-17 biennium was based on improper job coding of these employees' timesheets in FY 2014. Fiscal staff spoke with the department on April 1, 2015, and the department indicated the

employees serving in these positions would more accurately code their timesheets in the future to reflect the activities being performed. The department agreed that this decision unit should not be approved for the 2015-17 biennium although revised funding for these positions may be recommended in the 2017-19 biennium based on more accurate reporting of these positions' activities. Based on the department's revised analysis, Fiscal staff recommends the Subcommittee not approve this decision unit.

Does the Subcommittee wish to not approve the Governor's recommendation to fully support the salary costs for two existing Microbiologist positions with General Fund appropriations?

Other Closing Items

1. Replacement Equipment (E-710, AGRICULTURE-46): The Governor recommends a General Fund appropriation of \$2,277 in FY 2017 for one laptop, laptop docking station, and desktop monitor. **This recommendation appears reasonable.**
2. New Equipment (E-720, AGRICULTURE-47): The Governor recommends a General Fund appropriation of \$55,905 in FY 2016 for a nucleic acid purification system. The department indicates this system would automate DNA extraction, which would provide laboratory technicians additional time to perform microscopic and microbiological examinations. **This recommendation appears reasonable.**
3. Cost Allocation (M-800, E-800 & E-804, AGRICULTURE-45, 47 & 48): In Decision Units M-800 and E-800, the Governor recommends net General Fund appropriations of \$8,443 in FY 2016 and net General Fund reductions of \$16,255 in FY 2017 for cost allocation assessments related to maintenance and enhancement decision units in the department's Administration Division.

In Decision Unit E-804, the Governor also recommends General Fund appropriations of \$248 in FY 2016 and \$333 in FY 2017 for enhancements cost allocated for centralized human resource services provided by the Department of Administration's Division of Human Resource Management. **These recommendations appear reasonable.**

Does the Subcommittee wish to approve Other Closing Items as recommended by the Governor, and provide Fiscal staff with authority to make technical adjustments as necessary?

Information Only: No Action Required

Renaming of Unclassified Position in Base Budget (BASE, AGRICULTURE-43 & 44): The 2013 Legislature approved the creation of a new Animal Industry Division for the department, consisting of the Veterinary Medical Services Program, the Livestock Inspection Program, and the Predatory Animal and Rodent Control Program. To manage this new division, the 2013 Legislature approved a new Administrator position to oversee the Animal Industry Division and established this position in the Veterinary Medical Services budget. The Executive Budget reflects the continuation of the Animal Industry Division Administrator position and also includes the renaming of an existing Division Administrator of Veterinary Medical Services position as State Veterinarian in the department's base budget for the 2015-17 biennium. The department indicates this is a title change only to reflect the current organizational structure and the salary for this individual would not change. Accordingly, there is no fiscal impact and no decision unit was submitted to accommodate this change in The Executive Budget. **This recommendation will be considered by the money committees during the hearing for the Unclassified Pay Bill.**

Title: AGRI - LIVESTOCK INSPECTION
 Account: 101 - 4546

Budget Page: AGRICULTURE-50, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
BALANCE FORWARD	316,671	450,952	42.40	325,059	(27.92)	877,216	169.86
INTERAGENCY TRANSFER	1,386			1,391		1,391	
OTHER FUND	1,169,482	1,120,210	(4.21)	1,914,072	70.87	1,506,977	(21.27)
Total Revenues	1,487,539	1,571,162	5.62	2,240,522	42.60	2,385,584	6.47
Total FTE		7.00		7.00		7.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0
Total				0	0
Grand Total General Fund Impact of Closing Changes				0	0

Overview

The Livestock Inspection Program is responsible for protecting livestock owners from loss of livestock by enforcing inspection and brand statutes; returning estrayed livestock; and licensing livestock dealers, agents, buyers, and public sale yards. The program also investigates livestock thefts and performs a road interdiction program that seeks to prevent the ingress/egress of livestock that have not met the mandated requirements of both animal health and livestock identification. This budget is funded with brand inspection fees, brand recording and rerecording fees, a livestock inspection tax, dealer licensing fees, publication sales, miscellaneous grant revenue, and a transfer from the non-executive Nevada Beef Council budget.

Major Closing Issues

1. New Manufactured Animal Feed Labeling Registration Fee
2. New Biologics Labeling Registration Fee
3. Brand Inspector Vehicles

Discussion of Major Closing Issues

1. New Manufactured Animal Feed Labeling Registration Fee (E-737, AGRICULTURE-54): The Governor recommends establishing a new, annual Manufactured Animal Feed Labeling registration fee not to exceed \$75 that would be charged to manufacturers for each commercial feed product line sold in the state. Retailers of licensed products would not be subject to the new fee and the department indicates the proposed registration process would be similar to its registration process for pesticides, which

requires manufacturers to register their product annually utilizing the department's online registration system.

According to the department, federal regulations are currently being drafted by the U.S. Food and Drug Administration (FDA) that will require the department to monitor, verify, and keep records of all food products, including those consumed by animals. Since federal regulations have not been finalized, no new positions or resources are being recommended by the Governor at this time. Since the department is not certain what the FDA regulations will entail, the department based its proposed fee rate on the average amount charged by other Western states, including California, Oregon, Washington, Utah, Idaho, and New Mexico.

This fee is contingent up the passage of Senate Bill (S.B.) 495, which would establish this fee in statute not to exceed \$75. Senate Bill 495 was heard by the Senate Committee on Natural Resources on April 2, 2015. During the hearing, the department indicated the new fee would provide the department with resources to address the requirements of the recently enacted federal Food Safety Modernization Act (FSMA), which aims to protect the U.S. food supply by preventing contamination. According to the department, the FSMA rules would be finalized in 2015. The department indicated this fee revenue would provide funding necessary for the department to enter into a cooperative agreement with the FDA to administer the FSMA's animal feed program requirements in Nevada and to provide for the inspection, audit, and traceability of animal feed products. On April 7, 2015, the Senate Committee on Natural Resources voted to amend and do pass S.B. 495 as amended.

The department estimates there are 3,000 animal feed products currently sold in the state. Correspondingly, The Executive Budget includes \$225,000 in new fee revenue in each year of the 2015-17 biennium. As noted in the following table, the majority of the projected revenue (\$440,310 over the 2015-17 biennium) would be placed in reserve:

	FY 2016	FY 2017
Balance Forward from Prior Year	\$0	\$220,155
Manufactured Animal Feed Labeling Fee Revenue	\$225,000	\$225,000
Total Resources	\$225,000	\$445,155
Operating Supplies	\$1,695	\$1,695
Transfer to Veterinary Medical Services Budget	\$3,150	\$3,150
Reserve	\$220,155	\$440,310
Total Expenditures	\$225,000	\$445,155

Fiscal staff would note the Department of Agriculture did not provide justification related to the operating expenditures and fund transfers included in this decision unit. In addition, there is no corresponding fund transfer reflected in the Veterinary Medical Services budget that correlates with the transfer noted in the table above. Accordingly, if this recommendation is approved, the Subcommittee may wish to place all Manufactured Animal Feed Labeling revenue in the agency's reserve and direct the department to seek spending authority from the Interim Finance Committee (IFC) once the federal regulations are established and the department determines what resources it will need to comply with the regulations.

Options for Consideration:

- 1. Approve the new Manufactured Animal Feed Labeling registration fee revenue as recommended by the Governor, contingent upon passage and approval of Senate Bill 495, and provide Fiscal staff with authority to make a technical adjustment to reflect the \$3,150 fund transfer recommended in each year to the Veterinary Medical Services budget.**

2. Approve the new Manufactured Animal Feed Labeling registration fee revenue recommended by the Governor, contingent upon passage and approval of Senate Bill 495, and provide Fiscal staff with authority to place all revenue in reserve, and issue a letter of intent directing the agency to:

- Reevaluate the proposed rates associated with these fees once the federal regulations have been established,
- Seek authority from the Legislative Commission to establish the rate in regulation, and
- Seek spending authority from the IFC once the department determines the resources it will need to comply with the federal regulations.

2. New Biologics Labeling Registration Fee (E-738, AGRICULTURE-54 & 55): The Governor recommends establishing a new, annual Biologics Labeling registration fee not to exceed \$75 that would be charged to manufacturers for each veterinary biologic product line sold in the state. Retailers of licensed products would not be subject to the new fee and the department indicates the proposed registration process would be similar to its registration process for pesticides, which requires manufacturers to register their product annually utilizing the department's online registration system. Biologic products include a wide range of products such as vaccines, blood and blood components, and allergenics. Unlike drugs, which are typically manufactured through chemical synthesis, a biologic is manufactured in a living system such as a microorganism, or plant or animal cells.

According to the department, federal regulations are being finalized and will require the department to monitor biologic products used on animals. During the department's budget hearing on February 4, 2015, the department indicated the federal regulations would limit the use of these products, which are currently sold over-the-counter. Since federal regulations have not been finalized, no new positions or resources are being recommended by the Governor at this time. According to the department, the State of Oregon currently charges \$75 for a similar veterinary biologic fee, which is the basis of the department's estimated rate. Based on information provided by the department, it appears Oregon and California are the only neighboring states that have a veterinary biologic fee.

This fee is contingent up the passage and approval of S.B. 488, which would establish this fee in statute not to exceed \$75. Senate Bill 488 was heard by the Senate Committee on Natural Resources on April 2, 2015. During the hearing, the department indicated the FSMA rules would be finalized in 2015. The department indicated this fee revenue would provide funding necessary for the department to enter into a cooperative agreement with the FDA to administer the FSMA's biologics program requirements in Nevada. According to the department, this program would provide for the inspection, audit, and traceability of these products. On April 7, 2015, the Senate Committee on Natural Resources voted to amend and do pass S.B. 488 as amended. Fiscal staff would note that S.B. 488, as amended, provides for a Biologics Labeling registration program if approved by the State Board of Agriculture and allows the board to establish a reasonable registration fee.

The department estimates there are 1,500 veterinary biologic products currently sold in the state. Correspondingly, The Executive Budget includes \$112,500 in new fee revenue in each year of the 2015-17 biennium as noted in the table below. The Governor recommends the majority of this revenue (\$210,530 over the 2015-17 biennium) be placed in reserve to provide the department with resources to comply with the requirements of the FSMA:

	FY 2016	FY 2017
Balance Forward from Prior Year	\$0	\$105,265
Biologics Labeling Fee Revenue	\$112,500	\$112,500
Total Resources	\$112,500	\$217,765
Operating Supplies	\$848	\$848
Transfer to Veterinary Medical Services Budget	\$6,387	\$6,387
Reserve	\$105,265	\$210,530
Total Expenditures	\$112,500	\$217,765

Fiscal staff would note the Department of Agriculture did not provide justification related to the operating expenditures and fund transfers included in this decision unit. In addition, there is no corresponding fund transfer reflected in the Veterinary Medical Services budget that correlates with the transfer noted in the table above. Accordingly, if this recommendation is approved, the Subcommittee may wish to place all Biologics Labeling Fee revenue in the agency's reserve and direct the department to seek spending authority from the IFC once the federal regulations are established and the department determines what resources it will need to comply with the regulations.

Options for Consideration:

1. **Approve the new Biologics Labeling registration fee revenue recommended by the Governor, contingent upon the passing of Senate Bill 488, and provide Fiscal staff with authority to make a technical adjustment to reflect the \$6,387 fund transfer recommended in each year to the Veterinary Medical Services budget.**
2. **Approve the new Biologics Labeling registration fee revenue recommended by the Governor, contingent upon passage and approval of Senate Bill 488, and provide Fiscal staff with authority to place all revenue in reserve, and issue a letter of intent directing the agency to:**
 - **Reevaluate the proposed rates associated with these fees once the federal regulations have been established;**
 - **Seek authority from the Legislative Commission to establish the rate in regulation, if approved by the State Board of Agriculture;**
 - **Seek spending authority from the IFC once the department determines the resources it will need to comply with the federal regulations; and**
 - **Submit work programs to adjust authorized revenue and expenditures based upon the State Board of Agriculture's establishment of the Biologics Labeling registration program and associated fee.**
3. Brand Inspector Vehicles (E-720, AGRICULTURE-53 & 54): The Governor recommends reductions in personal vehicle expenditures included in the agency's base budget of \$30,250 in FY 2016 and \$48,698 in FY 2017, as well as reserve reductions of \$7,000 in FY 2016 (and an increase in reserves of \$256 in FY 2017) to purchase four used Nevada Highway Patrol trucks at \$3,500 each in each year of the 2015-17 biennium. The department projects these used vehicles would have a useful life of four to six years. Brand Inspectors currently use their own vehicles to perform inspections and receive mileage reimbursement. By purchasing these vehicles, Brand Inspectors would utilize state-owned vehicles to perform their inspections, which the department indicates would cost less than providing mileage reimbursement for the use of personal vehicles.

The department derived its savings calculation using the highest personal vehicle mileage reimbursements in FY 2014 incurred by eight intermittent Brand Inspector positions who drove an average of 10,868 miles that year. The department projects savings of \$17,900 over a four-year period with this purchase, which assumes these eight vehicles would be driven 314,855 miles over that period. Fiscal staff would note that due the remote locations of the Brand Inspectors' residences, some of these vehicles would be stored at the Brand Inspectors' homes.

Does the Subcommittee wish to approve the Governor's recommendation to purchase used Highway Patrol vehicles for use by intermittent and full-time Brand Inspectors?

Other Closing Items

1. Funding Change for Microbiologist Positions (E-250, AGRICULTURE-53): The Governor recommends an increase in reserves of \$21,751 in FY 2016 and \$22,541 in FY 2017 by eliminating the transfer of fees to the Veterinary Medical Services budget to partially support the salaries of two Microbiologist positions. The legislatively approved budget for the 2013-15 biennium included the transfer of 15 percent of the salary cost for these two positions, which reflected the department's projection of the time these employees perform laboratory tests from fees realized in the Livestock Inspection budget. The Executive Budget indicates these positions would not be supporting the Livestock Inspection budget in the 2015-17 biennium and should be funded entirely with General Fund appropriations. This decision unit is discussed in detail in the Veterinary Medical Services budget. **Fiscal staff will ensure the decision made by the Subcommittee in the Veterinary Medical Services budget is also reflected in the Livestock Inspection budget.**
2. Cost Allocation (M-800, E-800 & E-804, AGRICULTURE-52 & 55): In Decision Units M-800 and E-800, the Governor recommends net reserve reductions of \$2,016 in FY 2016 and a net increase in reserves of \$23,093 in FY 2017 for cost allocation assessments related to maintenance and enhancement decision units in the department's Administration Division and Nevada Highway Patrol dispatch services.

In Decision Unit E-804, the Governor also recommends reserve reductions of \$2,249 in FY 2016 and \$3,025 in FY 2017 for enhancements cost allocated for centralized human resource services provided by the Department of Administration's Division of Human Resource Management. **These recommendations appear reasonable.**

Does the Subcommittee wish to approve Other Closing Items as recommended by the Governor, and provide Fiscal staff with authority to make technical adjustments as necessary?

Title: AGRI - PREDATORY ANIMAL & RODENT CONTROL
 Account: 101 - 4600

Budget Page: AGRICULTURE-58, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
BALANCE FORWARD	(12,032)						
GENERAL FUND	704,752	709,775	0.71	800,461	12.78	780,901	(2.44)
INTERAGENCY TRANSFER	228,596	414,000	81.11	14,000	(96.62)	14,000	
INTERIM FINANCE	48,000						
OTHER FUND	19,123	19,123		19,123		19,123	
Total Revenues	988,439	1,142,898	15.63	833,584	(27.06)	814,024	(2.35)
Total FTE		7.00		7.00		7.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0

Total 0 0

Grand Total General Fund Impact of Closing Changes 0 0

Overview

Predatory Animal and Rodent Control (PARC) is responsible for cooperating with the United States Department of Agriculture (USDA) to control predatory animals, crop destroying birds, and rodents. PARC (state) and the USDA (federal) collectively form the Nevada Wildlife Services program (WS), which works alongside the Nevada Department of Wildlife (NDOW) to prevent predation damage. These agencies work collaboratively to develop an annual Predation Management Plan, which details the predation projects for the upcoming year. The program is also responsible for providing the public with assistance in the control and prevention of damage and diseases caused by wildlife. The program is funded through an appropriation from the General Fund, a transfer from NDOW, and a transfer from Elko County Woolgrowers. The NDOW transfer is funded by the \$3 predator management fee collected from animal game tag applications. Pursuant to NRS 502.253, this fee must be used for predation management and general public education concerning the management and control of predatory wildlife.

For the 2015-17 biennium, The Executive Budget recommends that NDOW contract directly with the USDA to provide services in support of the NDOW Predation Management Plan. Fund transfers of \$14,000 from NDOW would continue to be used to partially support a Field Assistant position responsible for hunting mountain lions.

Major Closing Issues

There are no major closing issues.

Other Closing Item

Cost Allocation (M-800, E-800 & E-804, AGRICULTURE-59, 60 & 61): In Decision Units M-800 and E-800, the Governor recommends net General Fund appropriations of \$1,986 in FY 2016 and net General Fund reductions of \$23,100 in FY 2017 for cost allocation assessments related to maintenance and enhancement decision units in the department's Administration Division.

In Decision Unit E-804, the Governor also recommends General Fund appropriations of \$205 in FY 2016 and \$275 in FY 2017 for enhancements cost allocated for centralized human resource services provided by the Department of Administration's Division of Human Resource Management. **These recommendations appear reasonable.**

Does the Subcommittee wish to approve Other Closing Items as recommended by the Governor, and provide Fiscal staff with authority to make technical adjustments as necessary?

Title: AGRI - CONSUMER EQUITABILITY
 Account: 101 - 4551

Budget Page: AGRICULTURE-63, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
BALANCE FORWARD	187,382	1,202,347	541.66	1,008,291	(16.14)	724,984	(28.10)
INTERAGENCY TRANSFER	752,430	752,430		752,429	(0.00)	752,430	0.00
OTHER FUND	1,562,360	1,571,339	0.57	1,562,363	(0.57)	1,562,360	(0.00)
Total Revenues	2,502,172	3,526,116	40.92	3,323,083	(5.76)	3,039,774	(8.53)
Total FTE		22.00		22.00		22.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0
Total				0	0
Grand Total General Fund Impact of Closing Changes				0	0

Overview

The Consumer Equitability Division includes the Weights and Measures Program and the Petroleum Technology Program. The Weights and Measures Program licenses, tests, and verifies the accuracy of all commercial weighing and measuring devices. The program also maintains the state's metrology labs, which houses the state standards for mass, length, and volume. The program certifies the field standards used by Weights and Measures Inspectors and registered service agents. If any violations are identified in the device inspections, packaging, scanners, or motor fuel, the inspectors take regulatory action to obtain compliance. The Weights and Measures Program also obtains samples of motor fuels for analysis by the Petroleum Technology Program, which adopts standards related to fuel and compares fuel to these standards. This budget is funded through petroleum inspection fees, license fees, device testing fees, and transfers from the Department of Motor Vehicles.

Major Closing Issue

New Seasonal Positions

Discussion of Major Closing Issue

New Seasonal Positions (E-226, AGRICULTURE-65): The Governor recommends reserve reductions of \$23,760 in each year of the 2015-17 biennium to hire three seasonal Weights & Measures Inspector positions to assist with testing and certifying of 310 livestock scales located throughout the state. The United States Department of Agriculture's Grain Inspection, Packers & Stockyards Administration (GIPSA)

requires that these livestock scales be tested annually in the months just before cattle are sent to market. Due to the remote locations of these scales and staff safety concerns due to maneuvering heavy weights, the department currently assigns teams of two Weights & Measures Inspector positions to perform these tests. The Governor recommends assigning a seasonal Weights & Measures Inspector position to work with a full-time Weights & Measures Inspector position to assist with the certification of these livestock scales. While there is no existing backlog associated with this testing, the department indicates this recommendation would provide existing staff with additional time to perform random inspections of point-of-sale systems as required by NRS 581.067, complete National Institute of Standards and Technology (NIST) online professional development courses, and attend trainings provided by division staff.

Does the Subcommittee wish to approve the Governor's recommendation for three seasonal Weights & Measures Inspector positions for the Consumer Equitability Division?

Other Closing Items

1. Out-of-State Registered Service Agent Fee Revenue (BASE, AGRICULTURE-63 & 64): During the department's budget hearing on February 4, 2015, the department indicated that its fees to certify equipment for registered service agents who repair scales are lower than those charged by neighboring states. In addition, the department indicates that neighboring states have a backlog of equipment to be calibrated for the registered service agents in those states. Consequently, the department indicates it is attractive for out-of-state agents to send their testing equipment to the department's Consumer Equitability Division for calibration. A new Metrologist position was approved by the 2013 Legislature to assist the department with the workload generated by these agents; however, the department indicates it experienced difficulty filling its Metrologist position and tracking out-of-state agent revenue in FY 2014. Accordingly, the department did not separately classify out-of-state registered service agent revenue in the budget for FY 2014 or FY 2015 year-to-date.

The department recently filled its Metrologist position, which should enable the division to perform additional certifications. However, The Executive Budget does not include additional calibration revenue generated from out-of-state agents. The department indicates that fee revenue generated by out-of-state registered service agents averaged \$22,000 annually from FY 2011 through FY 2014. **Accordingly, Fiscal staff recommends technical adjustments to add revenue of \$22,000 in each year of the 2015-17 biennium with corresponding adjustments to reserve from calibrating equipment for out-of-state registered service agents.**

2. Equipment and Vehicle Replacement (E-710, AGRICULTURE-66): The Governor recommends a reserve reduction of \$52,438 in FY 2016 to replace one pickup truck that is 20 years old with over 103,000 miles, five 1,000-pound cast iron weights, and a prover unit that fits in the bed of a pickup for the testing of fuel pumps. **This recommendation appears reasonable.**
3. New Equipment (E-720, AGRICULTURE-66 & 67): The Governor recommends a reserve reduction of \$69,800 in FY 2016 to purchase one 25-gallon prover, three mass comparators for verifying the mass of items, five uninterruptible power supplies, and one environmental monitoring station for the metrology laboratory in Las Vegas. **This recommendation appears reasonable.**
4. Cost Allocation (M-800, E-800 & E-804, AGRICULTURE-65 & 67): In Decision Units M-800 and E-800, the Governor recommends net reserve reductions of \$6,242 in FY 2016 and a net increase in reserves of \$72,600 in FY 2017 for cost allocation assessments related to maintenance and enhancement decision units in the department's Administration Division.

In Decision Unit E-804, the Governor also recommends reserve reductions of \$644 in FY 2016 and \$866 in FY 2017 for enhancements cost allocated for centralized human resource services provided by the Department of Administration's Division of Human Resource Management. **These recommendations appear reasonable.**

Does the Subcommittee wish to approve Other Closing Items as recommended by the Governor, with the technical adjustment to add \$22,000 in out-of-state registered service agent fee revenue in each year of the 2015-17 biennium, and provide Fiscal staff with authority to make any necessary technical adjustments?

Title: AGRI - NUTRITION EDUCATION PROGRAMS
 Account: 101 - 2691

Budget Page: AGRICULTURE-70, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
BALANCE FORWARD	148,661	119,160	(19.84)	119,160		119,159	(0.00)
FEDERAL FUND	127,238,769	129,855,497	2.06	127,820,694	(1.57)	127,870,441	0.04
GENERAL FUND	106,934	106,934		1,107,463	935.65	1,107,463	
Total Revenues	127,494,364	130,081,591	2.03	129,047,317	(0.80)	129,097,063	0.04
Total FTE		16.00		21.00		21.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0
Total				0	0
Grand Total General Fund Impact of Closing Changes				0	0

Overview

The Nutrition Education Programs budget receives federal funding for various student nutrition programs authorized by the Healthy Hunger-Free Kids Act of 2010, including the National School Lunch Program, the School Breakfast Program (SBP), the Summer Food Service Program (SFSP), the Child and Adult Care Food Program, the Special Milk Program (SMP), and the Fresh Fruit and Vegetable Program. The allotment of federal funds for each nutrition program is based upon a formula that may consider, among other factors, meal costs or budgets, the number of individuals served, and the income level of those individuals. The General Fund appropriation in this budget for the 2015-17 biennium supports a maintenance of effort (MOE) requirement, as well as funding for a Major Budget Initiative proposed by the Governor.

Major Closing Issues

1. Breakfast After the Bell Major Budget Initiative
2. New Quality Assurance Specialist Positions
3. New IT Professional Position

Discussion of Major Closing Issues

1. Breakfast After the Bell Major Budget Initiative (E-275, AGRICULTURE-74 and MAJOR BUDGET INITIATIVES-26 & 27): The Governor recommends General Fund appropriations of \$1.0 million in each year of the 2015-17 biennium for the Food and Nutrition Division to provide public schools with

start-up grant funding to implement Breakfast After the Bell Programs. According to the department, 103 elementary schools, 1 middle school, and 1 high school across the state currently provide breakfast after the bell, and the Governor recommends expanding this service to other schools. Senate Bill (S.B.) 503 provides for the creation and implementation of the Breakfast After the Bell Program. Senate Bill 503 provides a Breakfast after the Bell Program, which may consist of breakfast served in the classroom, grab-and-go bagged breakfast, and breakfast served in the cafeteria during or after the first class or morning recess. Senate Bill 503, as amended by the Senate Committee on Education on April 9, 2015, requires schools with 70 percent or more of the enrolled pupils eligible for free or reduced price meals to participate in the Breakfast After the Bell Program beginning in the 2015-16 school year.

The department indicates that the proposed grant funding would provide initial startup funding for the program, including the purchase of equipment for food preparation, food storage, and food delivery; marketing of the program; or labor costs associated with implementation of the program. The department projects that the Governor's Breakfast After the Bell Programs would benefit 120 schools and 93,861 students in each year of the 2015-17 biennium. The 105 schools currently providing breakfast after the bell would not be eligible to receive grant funding. The department indicates that federal reimbursement funding would be available to cover future additional costs for the 120 schools starting the program.

The Executive Budget has identified the Breakfast After the Bell Program as a Major Budget Initiative for the 2015-17 biennium and indicates it would address childhood hunger by ensuring students have access to breakfast. According to the Food and Nutrition Division, 53.6 percent of Nevada's children enrolled in public schools qualified for free and reduced price meal benefits in FY 2013; however, only 21.8 percent of those children participated in the National School Breakfast Program. During the same period (FY 2013) Nevada ranked 41st in the nation for participation in the National School Breakfast Program, with the average national participation rate for the program at 27.3 percent. The department projects the Governor's recommended Breakfast After the Bell Program would increase the state's participation rate to 48.0 percent by FY 2017. According to the department's "A Bushel and a Peck" report, if all the students who were eligible for free and reduced price meal benefits during the 2013-14 school year had participated in the National School Breakfast Program, Nevada would have received an additional \$50.7 million in entitlement funds. During its budget hearing on February 4, 2015, the department projected that for every 10 percent increase in the participation rate, the state receives \$3 million annually in additional federal school nutrition funds that are currently not being obtained due to the state's low participation rate.

At the department's Legislative Commission's Budget Subcommittee hearing on January 28, 2015, the department indicated the state's low participation rate may be due, in part, to the stigma of being poor associated with receiving a free or reduced meal. Currently, students who participate in breakfast before the bell are perceived to be on the free and reduced price meal program and many students do not participate because they do not want other students to know that they receive a free or reduced price meal. The department indicated that this stigma would be eliminated if all the children within a school were provided the opportunity to participate in the Breakfast After the Bell Program. The department also indicates that identification cards are generally used by students to track their meal usage and payment assignment and the use of these cards eliminates the ability for students to identify students paying for meals and students receiving free or reduced meals.

During the department's budget hearing on February 4, 2015, the Subcommittee expressed concern regarding the additional food waste that would be generated by an expansion of school breakfast programs. The department indicated that there are measures in place to address waste, including taste testing foods prior to offering them in the program to determine their appeal to children, offering four food choices and requiring three items to be taken, and providing a 'share table' that allows unopened food to be reused by local food banks. In addition, the department indicated that food consumption at

schools becomes rather stable and consistent over time, allowing schools to order amounts of food that match consumption.

Senate Bill 503 was heard by the Senate Committee on Education on April 7, 2015. During the hearing, the department was asked about the impact the Breakfast After the Bell Program would have on instructional time. The department indicated that serving breakfast would require approximately 10 to 15 minutes, with that time being used for announcements, taking attendance, or instructional time. During the S.B. 503 hearing, the State Superintendent of Public Instruction expressed his support for the bill and indicated that the State Board of Education plans to study its regulation dealing with instructional time to determine if this regulation should be modified due to the Breakfast After the Bell Program. Senate Bill 503, as amended, requires the department to provide annual reports to the Legislature on the implementation and effectiveness of the Breakfast After the Bell Program. The department indicates it would report on breakfast program participation rate changes for the schools and school districts participating in the program, as well as increased federal funding due to the program.

On April 9, 2015, the Senate Committee on Education voted to amend and do pass S.B. 503 as amended.

Does the Subcommittee wish to approve the Governor's recommendation for General Fund appropriations of \$1.0 million in each year of the 2015-17 biennium for the Food and Nutrition Division to provide public schools with start-up grant funding to implement Breakfast After the Bell Programs contingent upon the passage of S.B. 503?

2. New Quality Assurance Specialist Positions (E-226, AGRICULTURE-73): The Governor recommends Federal Administrative Indirect Cost Allowance funding of \$204,012 in FY 2016 and \$239,193 in FY 2017 for four full-time Quality Assurance Specialist positions (two in Northern Nevada and two in Southern Nevada).

The 2013 Legislature approved total funding of \$31,575 in each year of the 2013-15 biennium for four intermittent Quality Assurance Specialist positions to each work 440 hours per year conducting administrative reviews for the National School Lunch Program and Residential Child Care Institution sponsors, as well as to provide technical assistance to program sponsors on menu development. The administrative reviews were previously performed by five contract positions, prior to the 2013 Legislature approving the use of intermittent Quality Assurance Specialist positions in the 2013-15 biennium. The department indicates it is difficult to fill these intermittent positions with registered dietitians willing to work part-time with inconsistent hours. To address recruitment issues, the Governor recommends eliminating the four intermittent positions and adding four new full-time Quality Assurance Specialist positions for the 2015-17 biennium. Funding for the intermittent positions has been eliminated from base in The Executive Budget.

When the 4 intermittent Quality Assurance Specialist positions were recommended for the 2013-15 biennium, the agency indicated these positions would each work 440 hours per year, for a total of 1,760 hours (4 positions x 440 hours = 1,760 hours). The 4 full-time positions recommended by the Governor for the 2015-17 biennium are budgeted for a total of 8,320 hours each year (52 weeks x 40 hours x 4 positions = 8,320 hours). During the department's budget hearing on February 4, 2015, the Subcommittee expressed concern whether there was adequate workload to support the increased hours for 4 full-time positions. The department responded that the 4 intermittent positions approved for the 2013-15 biennium were approved to review the 33 sponsors of the National School Lunch Program and Residential Child Care Institution only. The 4 new positions recommended by the Governor would review sponsors of these programs, as well as 136 sponsors of the Commodity Food Program. These additional Commodity Food Program administrative reviews would include the Emergency Food Assistance Program, Commodity Supplemental Food Program, Fresh Fruit and Vegetable Program,

Child and Adult Care Food Program, and Summer Food Service Program. The department indicates the USDA requires the sponsors of nutrition programs, such as the National School Lunch Program, the Residential Child Care Institution Program, and the Commodity Supplemental Food Program, be reviewed every three years or more frequently if problems were identified in the previous review.

The department indicates that the time required to perform these administrative reviews varies from one day to three weeks, depending on the size of the program and the distance travelled. As an example, the department indicates that the review of Clark County School District's National School Lunch Program, School Breakfast Program, and Fresh Fruit and Vegetable Program, which is performed every three years, required five weeks of work for four staff members. This included three weeks of on-site review, one week to complete the pre-review, and one week to complete the administrative review letter containing corrective action items.

Fiscal staff would note that the department's projected Federal Administrative Indirect Cost Allowance funding associated with the Nutrition Education Programs may not be sufficient to support these four positions in the 2015-17 biennium. From FFY 2014 to FFY 2015, the department indicates the Indirect Cost Allowance will increase by 8.71 percent. According to the department, these funds would need to increase by 15.8 percent in FFY 2016 and an additional 3.3 percent in FY 2017 to meet the projected revenue in The Executive Budget. It appears this revenue would only be able to support the addition of two positions if a more conservative 6.2 percent annual increase was projected. Fiscal staff would note that the two additional full-time positions would work a total of 4,160 hours per year (not excluding sick leave, annual leave and holidays) which is 2,400 more hours than what the agency indicated it needed for administrative review in the 2013-15 biennium.

Accordingly, the Subcommittee may wish to consider reducing the number of Quality Assurance Specialist positions to two and direct the department to approach the Interim Finance Committee during the interim to seek the additional positions if the department receives sufficient Federal Administrative Indirect Cost Allowance funding to support additional positions and the workload justifies the need for these positions. Fiscal staff discussed this option with the department and the department did not object. The department did request that if only two positions are approved, the start date for those positions be accelerated to July 1, 2015, so the individuals could be hired and trained prior to the start of the school year.

Based upon the recognition that the department may not receive sufficient federal funds to support four new full-time positions, Fiscal staff is providing the following options for the Subcommittee:

- 1. Approve the four full-time Quality Assurance Specialist positions as recommended in The Executive Budget.**
 - 2. Approve two full-time Quality Assurance Specialist positions, with revised start dates of July 1, 2015, and direct the agency to approach the Interim Finance Committee if the associated workload and Federal Administrative Indirect Cost Allowance funding supports additional Quality Assurance Specialist positions during the 2015-17 biennium.**
 - 3. Do not approve the four full-time Quality Assurance Specialist positions as recommended in The Executive Budget.**
3. New IT Professional Position (E-225, AGRICULTURE-73): The Governor recommends Federal Administrative Indirect Cost Allowance funding of \$60,072 in FY 2016 and \$71,344 in FY 2017 for one new Information Technology (IT) Professional position to develop, maintain, and provide staff support for the Food and Nutrition Division's computer application systems. The 2013 Legislature approved a new IT Professional position for the Food and Nutrition Programs to develop, implement, and maintain a Nutrition Education Programs web-based application and claims processing system that would track

sponsor activity and run reports as required by the United States Department of Agriculture (USDA). The department indicates the new IT Professional position would assist the existing IT Professional position with the division's existing application systems, which include the Child Nutrition Program Claims and Applications system, the Child and Adult Care Food Program system, Child Nutrition Eligibility System, and the Commodity Food Purchasing system. The department indicates this position would provide a more cost effective method to customize its systems, which would include developing meal count reports, recipient data reports, and ad hoc reports that are needed by the division. The department also indicates the new IT Professional position would provide the division with the staffing resources it needs to implement new systems, which would include creating an application and ordering system for the Food Distribution Program on Indian Reservations (FDPIR) and a web-based system for school districts to report on the progress of the school wellness policy implementation.

The department indicates the addition of this position would be more cost effective than the use of a private vendor currently used by the division to maintain its systems; however, The Executive Budget does not reflect any related expenditure reductions. On April 3, 2015, the agency emailed Fiscal staff and indicated that if the new IT Professional position is approved, the annual \$81,800 maintenance and support contract with a private vendor used to support its Commodity Food Purchasing system could be eliminated in FY 2017. The department indicates this contract would continue to be needed in FY 2016 to provide the division and the new IT Professional position an opportunity to transition from the contracted support.

Does the Subcommittee wish to approve the Governor's recommendation for a new IT Professional position for the Nutrition Education Programs, and provide Fiscal staff with authority to eliminate contracted system maintenance expenditures of \$81,800 in the Commodity Food Program budget in FY 2017?

Other Closing Items

1. Replacement Equipment (E-710, AGRICULTURE-74 & 75): The Governor recommends Federal Administrative Indirect Cost Allowance funding of \$13,140 in FY 2016 and \$5,440 in FY 2017 to replace 4 laptops with docking stations, and purchase 32 Adobe Acrobat software renewals, 2 survey software packages, and 2 webinar software packages. **This recommendation appears reasonable.**
2. Cost Allocation (M-800, E-800 & E-804, AGRICULTURE-72 & 75): In Decision Units M-800 and E-800, the Governor recommends net Federal Administrative Indirect Cost Allowance funding of \$541 in FY 2016 and net reductions in Federal Administrative Indirect Cost Allowance funding of \$4,197 in FY 2017 for cost allocation assessments related to maintenance and enhancement decision units in the department's Administration Division.

In Decision Unit E-804, the Governor also recommends Federal Administrative Indirect Cost Allowance funding of \$468 in FY 2016 and \$630 in FY 2017 for enhancements cost allocated for centralized human resource services provided by the Department of Administration's Division of Human Resource Management. **These recommendations appear reasonable.**

Does the Subcommittee wish to approve Other Closing Items as recommended by the Governor, and provide Fiscal staff with authority to make technical adjustments as necessary?

Title: AGRI - COMMODITY FOOD PROG
 Account: 101 - 1362

Budget Page: AGRICULTURE-78, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
BALANCE FORWARD	(115,653)	1,126,569	(1074.09)	1,108,559	(1.60)	990,703	(10.63)
FEDERAL FUND	1,882,925	1,842,010	(2.17)	2,177,519	18.21	1,863,890	(14.40)
OTHER FUND	13,322,615	13,250,531	(0.54)	13,388,341	1.04	13,285,739	(0.77)
Total Revenues	15,089,887	16,219,110	7.48	16,674,419	2.81	16,140,332	(3.20)
Total FTE		13.00		15.00		15.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0

Total 0 0

Grand Total General Fund Impact of Closing Changes 0 0

Overview

The Commodity Food Program (CFP) administers the distribution of food received from the U.S. Department of Agriculture (USDA). The food distribution program provides USDA commodity foods to schools, senior centers, Indian reservations, food banks, and other eligible agencies and individuals in Nevada. The program also provides food packages to women, infants, and children. Low-income senior citizens may also obtain food packages and coupons to buy fresh fruits and vegetables from local farmers markets. The food distribution program serves approximately 210 agencies and 11 Indian reservations throughout the state. The budget is funded primarily through fees charged for the administration, processing, and distribution of USDA foods. A smaller portion of funding is received through various federal grants, miscellaneous fees, expense reimbursement, and interest income.

Major Closing Issue

New Positions for Food Distribution Program on Indian Reservations

Discussion of Major Closing Issue

New Positions for Food Distribution Program on Indian Reservations (E-351, AGRICULTURE-80 & 81): Nevada currently participates in the Food Distribution Program on Indian Reservations (FDPIR), which is a federal program that provides USDA foods to low-income households, including the elderly living on Indian reservations and to Native American families residing in designated areas near reservations. The Governor recommends FDPIR revenue of \$71,647 and reserve reductions of \$23,882 in FY 2016 and FDPIR revenue of \$90,464 and reserve reductions of \$30,154 in FY 2017 to support one new

Social Services Program Specialist position and one Driver Warehouse Worker position. According to the department, these positions would assist an existing Social Service Program Specialist position that is projected to be funded with FDPIR revenue. The new positions would support the FDPIR, which The Executive Budget indicates has recently increased from 450 participants to 650 participants statewide. According to the department, the existing Social Service Program Specialist oversees the FDPIR general eligibility requirements and program support, but does not provide professional diet and nutrition counseling. The department indicates the additional Social Services Program Specialist position would administer the FDPIR, which would include completing federal reports, determining individual eligibility, and performing nutrition counseling. The department indicates the Driver Warehouse Worker would be located in Sparks and would deliver food for the FDPIR.

The FDPIR provides food to participants as an alternative to the USDA's Supplemental Nutrition Assistance Program (SNAP). The department indicates that participants receive a monthly food package that includes fresh fruit and vegetables. According to the department, the FDPIR delivers food to 12 locations throughout the state, requiring 1,200 miles to be traveled each month. The department intends to have the two new positions travel together. The Social Services Program Specialist position would provide FDPIR application assistance and nutrition counseling while the Driver Warehouse Worker position unloads the delivery truck. The department indicates that this arrangement would enable nutrition counseling to be provided at these locations each month. The department has provided documentation from the USDA indicating its support for these additional positions based upon increased participation in the FDPIR.

Does the Subcommittee wish to approve the Governor's recommendation to add one Social Services Program Specialist position and one Driver Warehouse Worker position for the Commodity Food Program?

Other Closing Items

1. Replacement Equipment (E-710, AGRICULTURE-81 & 82): The Governor recommends Federal State Administrative Expenses Grant Fund revenue of \$352,080 in FY 2016 and \$1,455 in FY 2017 to replace a 3,800 square-foot warehouse freezer, two desktop computers, and two desktop computer monitors. The department indicates the existing warehouse freezer is antiquated, not energy efficient, and difficult to repair due to the limited availability of replacement parts. **This recommendation appears reasonable.**
2. New Equipment (E-720, AGRICULTURE-82): The Governor recommends Service & Handling Charge revenue of \$72,522 in FY 2016 for two forklifts and one shrink wrap machine, which wraps pallets of food with plastic sheeting for shipment to avoid spillage or product damage. The department indicates the purchase of these forklifts would provide a second forklift at the Las Vegas and Reno warehouses due to the growing volume of food the agency is managing. **This recommendation appears reasonable.**
3. Cost Allocation (M-800, E-800 & E-804, AGRICULTURE-80, 82 & 83): In Decision Units M-800 and E-800, the Governor recommends net reserve reductions of \$3,067 in FY 2016 and net increases in reserves of \$15,548 in FY 2017 for cost allocation assessments related to maintenance and enhancement decision units in the department's Administration Division.

In Decision Unit E-804, the Governor also recommends reserve reductions of \$380 in FY 2016 and \$512 in FY 2017 for enhancements cost allocated for centralized human resource services provided by the Department of Administration's Division of Human Resource Management. **These recommendations appear reasonable.**

4. Vehicle Transfer (E-901, AGRICULTURE-83): The Governor recommends transferring one vehicle and associated operating expenditures to the Administration budget and decreasing associated FDPIR revenue by \$2,929 in FY 2016 and \$2,925 in FY 2017. The Executive Budget indicates this vehicle would be used as a pooled administrative vehicle. **This recommendation appears reasonable.**

Does the Subcommittee wish to approve Other Closing Items as recommended by the Governor, and provide Fiscal staff with authority to make technical adjustments as necessary?

Title: AGRI - DAIRY COMMISSION
 Account: 233 - 4470

Budget Page: AGRICULTURE-86, Volume I

Revenues	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
BALANCE FORWARD	63,677	466,176	632.09	652,540	39.98	699,097	7.13
INTERAGENCY TRANSFER		63,929					
OTHER FUND	1,223,482	1,322,431	8.09	1,124,420	(14.97)	1,124,420	
Total Revenues	1,287,159	1,852,536	43.92	1,776,960	(4.08)	1,823,517	2.62
Total FTE		9.00		9.00		9.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0
Total				0	0

Grand Total General Fund Impact of Closing Changes 0 0

Overview

The Nevada Dairy Commission (Commission), established in 1955, is comprised of three Governor-appointed members. The Commission is responsible for licensing and regulating product distributors and enforcing price stabilization and marketing plans for various dairy products. The Commission inspects, licenses, and regulates all segments involved in the production and sale of dairy products to Nevada consumers – from farm-level production through sales to the customer. This budget is funded primarily through license and permit fees on regulated dairy products. The Commission does not receive General Fund appropriations.

Major Closing Issue

Dairy Laboratory and Position Reclassification

Discussion of Major Closing Issue

Dairy Laboratory and Position Reclassification (E-805, AGRICULTURE-90): The 2013 Legislature approved the transfer of the Nutrition Education Programs from the Department of Education, the Commodity Food Program from the Department of Administration, and the Dairy Commission from the Department of Business and Industry to the Department of Agriculture to create the Food and Nutrition Division. While discussing this new division at its February 6, 2013, budget hearing before the General Government Joint Subcommittee, the department indicated the University of Nevada, Reno (UNR) provided dairy product testing for the Dairy Commission; however, the department recommended utilizing an unoccupied dairy laboratory facility that existed at the department’s Sparks headquarters. The department indicated it had staff that would be able to perform testing of dairy products. On December 9, 2013, the Interim Finance Committee (IFC) approved total funding of \$105,138 to purchase laboratory equipment and train two existing Environmental Health Specialist (EHS) positions to

conduct dairy testing. In a November 22, 2013, email to Fiscal staff, the department indicated these positions would assume the testing responsibilities in addition to their dairy facility inspection duties.

The Executive Budget recommends an increase in reserves (savings) of \$37,382 in FY 2016 and \$39,310 in FY 2017 to reclassify a vacant Operations Manager position to a Microbiologist position. The department indicates the reclassified Microbiologist position would perform these microbiological laboratory tests to detect, isolate, and identify microorganisms in milk, cheese, and other samples. This would include spore testing, laboratory pasteurized count reduction procedures, aflatoxin testing, and pesticide residue testing. The Microbiologist position would also conduct trainings and certify dairy laboratories statewide. The department indicates the EHS positions, who are currently performing testing of dairy products, are unable to keep up with the current workload due to the recent opening of a powdered milk plant in Fallon and the associated expansion of the dairy industry. The department indicates the Microbiologist position would provide a dedicated staff member to perform dairy testing utilizing the existing laboratory equipment and allow the EHS positions to resume their dairy facility inspection duties.

When asked by Fiscal staff if additional fee revenue would be generated for the Dairy Commission budget if this position were reclassified, the department indicated that the Microbiologist position would continue to perform all current testing, which is required under the federal Food and Drug Administration's Interstate Milk Shippers Program. Accordingly, the department does not believe additional revenue would be generated from this reclassification.

Does the Subcommittee wish to approve the Governor's recommendation to reclassify the Operations Manager position to a Microbiologist position for the Dairy Commission?

Other Closing Items

1. Replacement Equipment (E-710, AGRICULTURE-89): The Governor recommends reserve reductions of \$262 in each year of the 2015-17 biennium for two Adobe software license renewals. **This recommendation appears reasonable.**
2. New Equipment (E-720, AGRICULTURE-89): The Governor recommends a reserve reduction of \$14,185 in FY 2016 for a new trailer to transport displays and equipment to various events to promote the dairy industry. The department indicates these events would include the Clark County Fair, the Carson City Fair, and the Governor's Agriculture Conference. **This recommendation appears reasonable.**
3. Cost Allocation (M-800, E-800 & E-804, AGRICULTURE-88, 89 & 90): In Decision Units M-800 and E-800, the Governor recommends net reserve reductions of \$5,782 in FY 2016 and net increases in reserves of \$26,275 in FY 2017 for cost allocation assessments related to maintenance and enhancement decision units in the department's Administration Division.

In Decision Unit E-804, the Governor also recommends reserve reductions of \$263 in FY 2016 and \$354 in FY 2017 for enhancements cost allocated for centralized human resource services provided by the Department of Administration's Division of Human Resource Management. **These recommendations appear reasonable.**

Does the Subcommittee wish to approve Other Closing Items as recommended by the Governor, and provide Fiscal staff with authority to make technical adjustments as necessary?

Title: DEFERRED COMPENSATION COMMITTEE
 Account: 101 - 1017

Budget Page: DEFERRED COMP-3, Volume III

Revenues	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
BALANCE FORWARD	(5,001)	125,812	(2615.74)	125,402	(0.33)	92,593	(26.16)
OTHER FUND	272,722	376,854	38.18	258,994	(31.27)	269,139	3.92
Total Revenues	267,721	502,666	87.76	384,396	(23.53)	361,732	(5.90)
Total FTE		1.00		1.75		1.75	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	00	2511	Increase balance forward due to adjustment in investment consultant contract cost.		20,000
B000	00	3849	Increase Client Charge revenue due to reinstatement of temporary services contract in Base.	18,910	18,910
E250	00	3849	Decrease Client Charge revenue due to elimination of temporary services contract upon approval of new position.	(14,182)	(18,910)
Sub-total				4,728	20,000
Line Item Changes to Revenues				4,728	20,000

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	04	7000	Reinstate temporary services contract in Base.	18,910	18,910
B000	04	7000	Reduce investment consultant contract per testimony at 3/5/15 budget hearing	(20,000)	(20,000)
B000	86	9000	Increase Reserve due to adjustment in investment consultant contract cost.	20,000	40,000
E250	04	7000	Eliminate temporary services contract upon approval of new position.	(14,182)	(18,910)
Sub-total				4,728	20,000
Line Item Changes to Expenditures				4,728	20,000

Total	0	0
Grand Total General Fund Impact of Closing Changes	0	0

Overview

The Nevada Deferred Compensation Program is a voluntary, tax-deferred supplemental retirement savings program for employees of the State of Nevada and other local government employers. The Deferred Compensation Committee (DCC) is comprised of five members appointed by the Governor, who, in conjunction with the Program Coordinator, are responsible for the administration of the deferred compensation plan with contractual assistance from qualified investment firms. The DCC reviews and determines plan activities, such as provider issues, changes to the plan, and appeals by the participants. In addition, the DCC contracts for completion of program compliance and financial audits of the plan. The budget is primarily funded from fees collected from plan providers and beneficiaries.

Major Closing Issue

New Administrative Assistant to Replace Contract Administrative Personnel

Discussion of Major Closing Issue

New Administrative Assistant to Replace Contract Administrative Personnel (E-250, DEFERRED COMP-5): The Executive Budget includes a net increase in Client Charges of \$7,985 in FY 2016 and \$17,297 in FY 2017 to replace current contract administrative personnel with a .75 FTE Administrative Assistant after eliminating \$18,910 in each fiscal year for contract administrative personnel. The Deferred Compensation Committee has contracted for the temporary position since FY 2008. Staff would note the temporary services contract expenditure was eliminated in the adjusted base budget. Staff has made technical adjustments to reinstate the temporary services contract expenditure in the adjusted base budget with a corresponding elimination in this decision unit effective October 1, 2015, which is reflected on the first page of the closing document. This request appears reasonable to Fiscal staff.

Does the subcommittee wish to approve the replacement of the temporary services contract with a .75 FTE Administrative Assistant?

Other Closing Items

1. Cost Allocation (E-804, DEFERRED COMP-5): The Executive Budget includes \$68 in Client Charges over the 2015-17 biennium to cover centralized personnel services provided by the Department of Administration, Division of Human Resource Management. This recommendation appears reasonable to staff.
2. Reserve Level (Summary, DEFERRED COMP-5-6): The Governor recommends a reserve level at the end of the 2015-17 biennium of \$17,951, which is a significant reduction from the FY 2014 actual reserve level of \$125,812. The agency testified at the March 5, 2015, Joint Subcommittee on General Government that the agency has successfully negotiated a decrease in the investment consultant contract of \$20,000 per fiscal year. Staff has made a technical adjustment to decrease the investment contract by \$20,000 per fiscal year with a corresponding increase to reserve in the base budget, which is reflected on the first page of the closing document. The revised reserve level at the end of FY 2017 is projected to be \$57,951 after the technical adjustments, which is approximately a 65-day reserve. With the technical adjustment made by staff, the reserve level appears reasonable.

Does the subcommittee wish to approve Other Closing Items as recommended by the Governor with technical adjustments made by Fiscal staff, and provide Fiscal staff the authority to make other technical adjustments as necessary?