

**PUBLIC SAFETY, NATURAL RESOURCES AND
TRANSPORTATION JOINT SUBCOMMITTEE
CLOSING LIST #3
April 28, 2015**

<u>BUDGET ACCOUNT</u>	<u>EXECUTIVE BUDGET PAGE</u>
	<u>Volume III</u>
<u>Department of Conservation and Natural Resources</u>	
<u>Forestry Division</u>	
Forestry Conservation Camps (101-4198)	DCNR-98
Forestry (101-4195)	DCNR-79
Wildland Fire Protection Program (101-4194)	DCNR-108
Forest Fire Suppression (101-4196)	DCNR-95
<u>Department of Wildlife</u>	
Director's Office (101-4460)	WILDLIFE-10
Operations (101-4461)	WILDLIFE-15
Conservation Education (101-4462)	WILDLIFE-23
Law Enforcement (101-4463)	WILDLIFE-30
Game Management (101-4464)	WILDLIFE-36
Fisheries Management (101-4465)	WILDLIFE-45
Habitat (101-4467)	WILDLIFE-58
<u>Department of Veterans Services</u>	
Office of Veterans Services (101-2560)	VETERANS-7
Veterans Home Account (101-2561)	VETERANS-16

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W02 - WORKING VERSION 2

Title: DCNR - FORESTRY CONSERVATION CAMPS
Account: 101 - 4198

Budget Page: DCNR-98, Volume III

Revenues	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
BALANCE FORWARD	799,766	1,760,000	120.06				
GENERAL FUND	5,184,324	5,071,469	(2.18)	5,072,610	0.02	6,701,620	32.11
OTHER FUND	3,628,622	3,473,738	(4.27)	3,704,892	6.65	3,751,424	1.26
REVERSIONS	(461,314)						
Total Revenues	9,151,398	10,305,207	12.61	8,777,502	(14.82)	10,453,044	19.09
Total FTE		96.00		94.00		94.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	00	2501	Increase General Fund appropriations to increase the cost of cell phone expenditures based on updated costs provided by the agency.	457	457
E710	00	2501	Decrease General Fund appropriations for the decrease of the costs for recommended equipment based on recent quotes.	(6,160)	(6,160)
E711	00	2501	Decrease General Fund appropriations for the decrease of the costs for recommended equipment based on recent quotes.		(4,904)
Sub-total				(5,703)	(10,607)
Line Item Changes to Revenues				(5,703)	(10,607)

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	04	7000	Decrease the Operating Expenses category, cell phone charges expenditure line item, based on updated costs provided by the agency.	(3,500)	(3,500)
B000	04	7000	Transfer an increase for diesel fuel costs included in the adjusted base budget to the correct expenditure category (from the Operating Expenses category to the Humboldt Conservation Camp Category).	(4,344)	(4,344)
B000	10	7000	Increase the Stewart Conservation Camp category, cell phone charges expenditure line item, based on updated costs provided by the agency.	786	786
B000	12	7000	Increase the Pioche Conservation Camp category, cell phone charges expenditure line item, based on updated costs provided by the agency.	231	231
B000	14	7000	Increase the Three Lakes Valley Conservation Camp category, cell phone charges expenditure line item, based on updated costs provided by the agency.	268	268
B000	19	7000	Increase the Wells Conservation Camp category, cell phone charges expenditure line item, based on updated costs provided by the agency.	632	632
B000	20	7000	Increase the Ely Conservation Camp category, cell phone charges expenditure line item, based on updated costs provided by the agency.	420	420
B000	32	7000	Increase the Jean Conservation Camp category, cell phone charges expenditure line item, based on updated costs provided by the agency.	453	453
B000	36	7000	Increase the Carlin Conservation Camp category, cell phone charges expenditure line item, based on updated costs provided by the agency.	196	196

B000	38	7000	Increase the Tonopah Conservation Camp category, cell phone charges expenditure line item, based on updated costs provided by the agency.	588	588
B000	40	7000	Increase the Humboldt Conservation Camp category, cell phone charges expenditure line item, based on updated costs provided by the agency.	383	383
B000	40	7000	Transfer an increase for diesel fuel costs included in the adjusted base budget to the correct expenditure category (from the Operating Expenses category to the Humboldt Conservation Camp Category).	4,344	4,344
E710	05	7000	Decrease cost for recommended equipment based on recent quotes provided by the agency.	(6,160)	(6,160)
E711	05	7000	Decrease cost for recommended equipment based on recent quotes provided by the agency.		(4,904)
Sub-total				(5,703)	(10,607)
Line Item Changes to Expenditures				(5,703)	(10,607)
Total				0	0
Grand Total General Fund Impact of Closing Changes				(5,703)	(10,607)

Overview

The Nevada Division of Forestry (NDF) Conservation Camp Program coordinates and supervises labor-intensive work projects performed by inmates from the Nevada Department of Corrections (NDOC). The inmates reside in NDOC conservation camps and work on forestry and conservation projects that generate revenue for the state, provide free or reduced-cost labor for state and local agencies, and provide fire suppression and emergency response resources to NDF. There are nine conservation camps, statewide, housing 76 twelve-person inmate crews. The Conservation Camp Program is funded primarily from General Fund appropriations, with additional revenues generated from projects.

Major Closing Issues

1. Sagebrush Ecosystem Program Major Budget Initiative - Position Upgrades
2. Transfer of Two Conservation Camp Supervisor Positions

Discussion of Major Closing Issues

1. Sagebrush Ecosystem Program Major Budget Initiative – Position Upgrades (E-813, MAJOR BUDGET INITIATIVES-28 & 29 AND DCNR-101 & 102): As part of the Sagebrush Ecosystem Program Major Budget Initiative, the Governor recommends General Fund appropriations of \$413,421 in FY 2017 to reclassify 74 Conservation Crew Supervisor positions in the Forestry Conservation Camps budget, effective the second year of the 2015-17 biennium. The recommended position reclassifications would increase the starting grade level and each progression level by two grades (approximately a 10 percent salary increase). Currently, the existing class specifications for the Conservation Crew Supervisor series starts at a pay grade 27 and progresses to grade 29 after the first year of employment, and then to a grade 31 after the second year of employment. The Governor's recommendation would start the Conservation Crew Supervisor series at a grade 29, with progression to a grade 31, and then to a grade 33. The progression of grades for the Conservation Crew Supervisors would be based on performance and upon completion of additional fire and forestry resource training. The agency indicates the crews would be used for sagebrush habitat restoration projects.

The division indicates the two-grade increase of the division's Conservation Crew Supervisors would help in the retention of existing staff and the recruitment of qualified applicants. The agency indicates there are numerous factors that contribute to the Conservation Crew Supervisor's high turnover. Salary is the primary factor hindering recruitment and retention of qualified Conservation Crew Supervisors. The Conservation Camp Program constantly loses valuable Conservation Crew Supervisors and

potential candidates to better paying positions in both the public and private sector. The current pay grade does not represent the position knowledge, skills and abilities required to supervise, train, complete project work and lead 12 inmates on a fire line or other emergency responses. The geography of the conservation camps being located in the rural areas further challenges the division in finding qualified candidates, especially when competing with Nevada's strong mining sector. The Conservation Crew Supervisor position demands the following three critical skills: a professional working knowledge of the supervision of inmates; fighting wild land fire; and natural resource project work. The agency indicates that over the past five years, the agency has had over 70 vacancies in the Conservation Crew Supervisor position out of the 76 full-time positions. The agency indicates the retention issues have had an impact on the number of crews that are available to fight wildland fires, as the qualifications required for a Conservation Crew Supervisor to become a crew boss can take between two to three years to obtain. Further, the agency indicates that only 40 percent of the Conservation Crew Supervisors currently qualify as crew bosses and are able to supervise an inmate crew on a wildland fire. Currently, of the 76 Conservation Crew Supervisor positions, 10 positions (13.2 percent) are vacant.

Additionally, Fiscal staff notes the agency inadvertently excluded two Conservation Crew Supervisor positions in Decision Unit E-813 (only 74 of the 76 Conservation Crew Supervisor positions were included in Decision Unit E-813 in the Forestry Conservation Camps budget). The two Conservation Crew Supervisor positions that were excluded are included in Decision Unit E-900 and are recommended to be transferred to the Forestry budget. If the Subcommittee does not approve the transfer of the two Conservation Crew Supervisor positions from the Forestry Conservation Camp budget to the Forestry budget, as recommended in Decision Unit E-900, Fiscal staff will need to make a technical adjustment to add the two Conservation Crew Supervisor positions to Decision Unit E-813 in this budget, contingent upon the Subcommittee's approval of Decision Unit E-813.

Does the Subcommittee wish to approve the Governor's recommendation of General Fund appropriations totaling \$413,421 in FY 2017 to reclassify 74 Conservation Crew Supervisor positions in the Forestry Conservation Camps budget, effective the second year of the 2015-17 biennium?

2. Transfer of Two Conservation Camp Supervisor Positions (E-900, DCNR-102): The Governor recommends the transfer of two Conservation Crew Supervisor positions from the Forestry Conservation Camps' budget to the Forestry budget with no change in the funding source. The division indicates the duties of the two Conservation Crew Supervisor positions are directly tied to the Helitack Air Operations program, which is managed in the Forestry budget.

As outlined in the Department of Human Resource Management Division's class specifications for the Conservation Crew Supervisor, the position supervises inmate crews, maintains security, and provides training in equipment use and safety in completing projects in resource conservation, fire management and community service. The agency indicates the duties assigned to the two Conservation Crew Supervisors recommended to be transferred to the Forestry budget for the Helitack program will only differ during fire season. During fire season, the two Conservation Crew Supervisor positions would act as crew bosses supervising seasonal firefighters assigned to a Helitack crew. The agency indicates during the non-fire season, the two Conservation Crew Supervisors would continue to supervise inmate crews and generate revenues from camp projects. The agency indicates camp revenues should not be affected by the recommended transfer.

Fiscal staff notes the agency inadvertently excluded the two Conservation Crew Supervisor positions in Decision Unit E-813 (discussed under Major Issue 1) to reclassify the 74 Conservation Crew Supervisor positions. Fiscal staff has included a technical adjustment to add Decision Unit E-813 in the Forestry

budget to include the upgrades as recommended in The Executive Budget for the 74 Conservation Crew Supervisor positions that will remain in this budget. If the Subcommittee does not approve the transfer of the two Conservation Crew Supervisor positions from this budget to the Forestry budget, Fiscal staff will need to make a technical adjustment to add the two positions to Decision Unit E-813 in this budget. Based on the information provided by the agency, it does not appear to Fiscal staff that the agency has sufficiently justified a need to transfer the two Conservation Crew Supervisor positions to the Forestry budget since a majority of the year the two positions would be supervising inmate crews during the non-fire season.

Does the Subcommittee wish to approve the Governor's recommendation to transfer two Conservation Crew Supervisor positions from the Forestry Conservation Camp's budget to the Forestry budget with no change in the funding source?

Other Closing Items

1. Adjusted Base Budget (BASE, DCNR-98 and 99): Fiscal staff has identified the following issues in the Forestry Conservation Camps' base budget:
 - Diesel Fuel, Gasoline, and Vehicle Repair/Supplies: An adjustment for diesel fuel for the Humboldt Conservation Camp was made to the incorrect category during the Adjusted Base budget process. **Fiscal staff has included a technical adjustment in this closing document to transfer \$4,344 from the Operating Expenses category to the Humboldt Conservation Camp category.** The agency concurs with this adjustment.
 - Cell Phone Charges: Combined, base year expenditures for all nine conservation camps totaled \$12,104 in FY 2014. The base budget for the 2015-17 biennium increased by \$16,900 in each fiscal year for this line item, bringing the total combined amount to \$29,004 in each fiscal year. The division provided staff with updated costs for the cell phones that are needed for the Conservation Camps. The updated quotes provided by the agency increase the total costs for this budget by \$457 in each fiscal year of the 2015-17 biennium, funded with General Fund appropriations. In addition, the costs for each camp have changed. **Fiscal staff has included a technical adjustment in this budget to increase General Fund appropriations by \$457 for each year of the 2015-17 biennium and to adjust the amounts for the Cell Phone/Pager Charges expenditure line item in the operating budget for each camp, resulting in a net increase of \$457 in each year of the 2015-17 biennium.**

The Adjusted Base budget appears reasonable with the technical adjustments noted.

2. Deferred Maintenance Projects (E-425, DCNR-100): The Governor recommends a General Fund appropriation totaling \$266,504 in FY 2017 for deferred maintenance projects with emphasis on life and safety issues for the Forestry Conservation Camps statewide. Deferred maintenance projects recommended to be funded include fire alarm systems, a water treatment system, stair handrails, electrical upgrades and repairs, anchoring of water heaters, emergency eye wash station, occupancy separation upgrade, site drainage improvements, a structural assessment, exit sign and egress lighting upgrades, portable fire extinguishers, a dust collection system, and hazardous material containment. **This recommendation appears reasonable.**
3. Replacement Equipment (E-710 and E-711, DCNR-101): The Executive Budget recommends General Fund appropriations totaling \$1.2 million over the 2015-17 biennium for replacement equipment for the Forestry Conservation Camps statewide. Equipment recommended for replacement includes computer hardware and software, chainsaws, handheld radios, satellite phones, shop equipment, three mobile kitchens to be used on wildland fires, and eight vehicles. Fiscal staff requested the agency to provide

new quotes for all equipment recommended in Decision Units E-710 and E-711, from vendors willing to provide discounts to state agencies. The new quotes for the chainsaws and shop equipment were less than the amounts included in The Executive Budget. As a result, General Fund appropriations decrease by \$6,160 in each year of the 2015-17 biennium for the chainsaws recommended in Decision Unit E-710; and by \$4,904 in FY 2017 for the shop equipment recommended in Decision Unit E-711. **Fiscal staff has included technical adjustments in this closing document to decrease General Fund appropriations by \$6,160 in each year of the 2015-17 biennium for Decision Unit E-710 and to decrease General Fund appropriations by \$4,904 in FY 2017 for Decision Unit E-711.**

Staff recommends that all Other Closing Items be closed as recommended by the Governor with the technical adjustments noted by staff and with authority to make other technical adjustments as necessary.

Additional Information - No Action Necessary

1. One-Shot Appropriation (INTRODUCTION-18): The Executive Budget recommends a General Fund appropriation of \$1.8 million in FY 2016 to replace nine crew carriers for the Conservation Camp program. The agency indicates that all nine crew carriers recommended to be replaced are 1996 models, have high mileage, are in poor condition and need major repairs to be reliable vehicles to transport the inmate crews. The one-shot appropriation for the Forestry Conservation Camps budget is included in Senate Bill 428, which was introduced in Senate Finance on March 23, 2015.
2. Supplemental Appropriation (INTRODUCTION-20): The Executive Budget recommends a General Fund appropriation of \$59,634 for FY 2015 to fund the cost of terminal leave for employees in the Forestry Conservation Camp's budget who have retired or are scheduled to retire in FY 2015. Fiscal staff notes the amounts for the supplemental appropriations listed in The Executive Budget for the Forestry budget and the Forestry Conservation Camps budget were reversed. The total amount of the supplemental appropriation for the Forestry budget should be \$266,653 and the supplemental amount for the Forestry Conservation Camp budget should be \$59,634. The supplemental appropriation for the Forestry Conservation Camps budget is included in Senate Bill 486, which was introduced in Senate Finance on March 23, 2015. However, on April 2, 2015, the Executive Budget Office notified Fiscal staff that the supplemental funding was no longer needed, as the agency has sufficient vacancy savings to make up for the cost of terminal leave for employees in the Forestry Conservation Camps budget who have retired or are scheduled to retire in FY 2015.
3. Legislative Audit of the Division of Forestry: On February 11, 2013, the Legislative Auditor issued an audit report (LA14-01) pertaining to an audit of the Division of Forestry's conservation camp projects for the 18-month period ending June 30, 2012. The audit report contained six recommendations to improve oversight and control activities regarding conservation camp project work. The division accepted all six recommendations, and as of November 7, 2013, the Department of Administration reports the six recommendations have been fully implemented.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W02 - WORKING VERSION 2

Title: DCNR - FORESTRY
 Account: 101 - 4195

Budget Page: DCNR-79, Volume III

Revenues	2013-14 Actual	2014-15 WP	%	2015-16 GOV REC	%	2016-17 GOV REC	%
			Chg		Chg		Chg
BALANCE FORWARD	960,659	606,167	(36.90)	403,037	(33.51)	403,037	
FEDERAL FUND	5,238,966	8,792,883	67.84	1,315,632	(85.04)	1,084,932	(17.54)
GENERAL FUND	3,764,892	3,727,520	(0.99)	5,248,380	40.80	6,951,885	32.46
INTERAGENCY TRANSFER	1,757,292	1,126,757	(35.88)	482,346	(57.19)	506,390	4.98
OTHER FUND	543,657	527,864	(2.90)	573,733	8.69	578,713	0.87
REVERSIONS	(815,839)						
Total Revenues	11,449,627	14,781,191	29.10	8,023,128	(45.72)	9,524,957	18.72
Total FTE		65.00		64.00		64.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	00	2501	Decrease General Fund appropriations as a result of an increase to the Air Operation revenue line item for the reimbursements from the Nevada Department of Wildlife (NDOW) for Forestry pilots flying NDOW missions based on FY 2013 (the lowest year between FY 2010 and FY 2015).	(5,182)	(5,182)
B000	00	2501	Decrease General Fund appropriations resulting from the decrease to Seasonal Salaries to eliminate retirement costs for those seasonal positions that do not exceed six months.	(12,850)	(13,452)
B000	00	2501	Increase General Fund appropriations to increase Personnel costs as a result of an upgrade for a Forester position to a Conservation Staff Specialist position effective 2/6/15 (position is part of the Sagebrush Ecosystem Program Technical Team); and to correct the step of the Aviation Services Officer position from a step 1 to a step 10 for the current incumbent.	10,840	10,151
B000	00	2501	Increase the General Fund appropriations as a result of the decrease to the transfer of the cost allocated for Air Operations positions to the Wildland Fires Suppression budget that were calculated incorrectly.	18,645	19,437
B000	00	4264	Increase Air Operation reimbursements revenue line items for the reimbursements from the Nevada Department of Wildlife (NDOW) for Forestry pilots flying NDOW missions based on FY 2013 (the lowest year between FY 2010 and FY 2015).	5,182	5,182
B000	00	4669	Decrease the Transfer of the cost allocated for Air Operations positions to the Wildland Fires Suppression budget that were calculated incorrectly.	(18,645)	(19,437)
M300	00	2501	Increase General Fund appropriations for fringe benefit rate adjustments as a result of adjustments to personnel costs for the Adjusted Base budget for a position reclassification of the Forester position to a Conservation Staff Specialist position and a change in the steps for the Aviation Services Officer from a step 1 to a step 10.	850	865
M801	00	2501	Increase General Fund appropriations for the Director's Office updated cost allocation.	22,357	13,191
E230	00	2501	Decrease General Fund appropriations resulting from the decrease to Seasonal Salaries to eliminate retirement costs for those seasonal positions that do not exceed six months.	(11,244)	(12,852)
E710	00	2501	Decrease General Fund appropriations for the decrease of the costs for recommended equipment based on recent quotes.	(1,155)	(926)
E711	00	2501	Increase General Fund appropriations for the decrease of the costs for recommended equipment based on recent quotes.		18,984

E813	00	2501	Increase General Fund appropriations to include the cost of reclassifying two Conservation Crew Supervisors recommended to be transferred from the Forestry Conservation Camp budget to this budget in Decision Unit E-900. The Governor recommends an upgrade of all Conservation Crew Supervisor positions included in the Forestry Conservation Camps budget as part of the Sagebrush Ecosystem Program Major Budget Initiative. The two Conservation Crew Supervisor positions recommended to be transferred to this budget were inadvertently excluded.	10,508
Sub-total				8,798
Line Item Changes to Revenues				26,469
				8,798
				26,469

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	01	5000	Decrease Seasonal salaries to eliminate retirement costs for those seasonal positions that do not exceed six months.	(12,850)	(13,452)
B000	01	5000	Increase Personnel costs as a result of an upgrade for a Forester position to a Conservation Staff Specialist position effective 2/6/15 (position is part of the Sagebrush Ecosystem Program Technical Team); and to correct the step of the Aviation Services Officer position from a step 1 to a step 10 for the current incumbent.	10,840	10,151
B000	75	8000	Decrease the Consolidated Payment Grant for federal fiscal year 2015, Grants expenditure line item to transfer grant funding to the Forestry Nurseries budget to fund seasonal salaries.	(91,473)	
B000	75	9000	Increase the Consolidated Payment Grant for federal fiscal year 2015, Transfer to Forestry expenditure line item to reflect the recommended transfer of grant funding to the Forestry Nurseries budget to fund seasonal salaries.	91,473	
B000	76	8000	Decrease the Consolidated Payment Grant for federal fiscal year 2016, Grants expenditure line item to transfer grant funding to the Forestry Nurseries budget to fund seasonal salaries.		(92,469)
B000	76	9000	Increase the Consolidated Payment Grant for federal fiscal year 2016, Transfer to Forestry expenditure line item to reflect the recommended transfer of grant funding to the Forestry Nurseries budget to fund seasonal salaries.		92,469
M300	01	5000	Increase the Personnel category for fringe benefit rate adjustments as a result of an upgrade for a Forester position to a Conservation Staff Specialist position effective 2/6/15 (position is part of the Sagebrush Ecosystem Program Technical Team); and to correct the step of the Aviation Services Officer position from a step 1 to a step 10 for the current incumbent.	850	865
M801	82	7000	Update the Director's Office cost allocation for DCNR based on a new methodology.	22,357	13,191
E230	01	5000	Reduce Seasonal Salaries to eliminate retirement costs for those seasonal positions that do not exceed six months.	(11,244)	(12,852)
E710	05	7000	Decrease cost for recommended equipment based on recent quotes provided by the agency.	(1,155)	
E710	26	8000	Decrease cost for recommended equipment based on recent quotes provided by the agency.		(926)
E711	05	7000	Decrease cost for recommended equipment based on recent quotes provided by the agency.		(600)
E711	05	8000	Increase cost for recommended equipment based on recent quotes provided by the agency.		19,584
E813	01	5000	Increase General Fund appropriations to include the cost of reclassifying two Conservation Crew Supervisors recommended to be transferred from the Forestry Conservation Camp budget to this budget in Decision Unit E-900. The Governor recommends an upgrade of all Conservation Crew Supervisor positions included in the Forestry Conservation Camps budget as part of the Sagebrush Ecosystem Program Major Budget Initiative. The two Conservation Crew Supervisor positions recommended to be transferred to this budget were inadvertently excluded.		10,508

Sub-total	8,798	26,469
Line Item Changes to Expenditures	8,798	26,469
Total	0	0
Grand Total General Fund Impact of Closing Changes	22,261	40,724

Overview

The Nevada Division of Forestry (NDF) is responsible for supervising, managing, and coordinating all forestry, fire, and watershed work on state and privately owned lands within Nevada. The division also responds to natural disasters including floods and earthquakes. The NDF provides assistance to county and local fire districts and adopts and enforces fire prevention regulations, including fire retardant roofing and defensible space. This budget is funded by General Fund appropriations, along with various federal grant funds, fire reimbursements, and budgetary transfers. The Governor recommends General Fund appropriations totaling \$12.2 million over the 2015-17 biennium, an increase of 62.8 percent when compared to the legislatively approved amount of \$7.5 million for the 2013-15 biennium.

Major Closing Issues

1. Sagebrush Ecosystem Program Major Budget Initiative – Funding Source Change of a Forester Position
2. New Positions
3. Funding Source Changes and Funding for Seasonal Salaries and Vehicle Operations

Discussion of Major Closing Issues

1. Sagebrush Ecosystem Program Major Budget Initiative – Funding Source Change of a Forester Position (E-852, DCNR-90 and 91): As discussed in the Department of Conservation and Natural Resources (DCNR) Administration budget highlight, there are various decision units included in The Executive Budget for the Sagebrush Ecosystem Program Major Budget Initiative. As part of the Sagebrush Ecosystem Program Major Budget Initiative for the Forestry budget, the Governor recommends a change in the funding source for the Sagebrush Ecosystem Forester position from 75 percent non-General Fund sources (transfer from the Division of Minerals) to General Fund appropriations totaling \$137,626 for the 2015-17 biennium (100 percent). This Forester position represents the Division of Forestry as part of the five-member Sagebrush Ecosystem Program Technical Team. The five-member technical team is comprised of representatives from the Division of Forestry, State Lands, the Department of Agriculture, the Department of Wildlife and a Program Manager recommended to be transferred from the State Lands budget to the Director's Office Administration budget. Fiscal staff would note that a combination of funding sources were approved to support the Sagebrush Ecosystem Program Technical Team costs in the 2013-15 biennium. The department indicates the funding source from the Division of Minerals is not sustainable for this position beyond the 2013-15 biennium.

Does the Subcommittee wish to approve the Governor's recommendation to change the funding source for the Sagebrush Ecosystem Forester position from 75 percent non-General Fund sources (transfer from the Division of Minerals) to 100 percent General Fund appropriations totaling \$137,626 for the 2015-17 biennium?

2. New Positions (E-225, E-226 and E-228, DCNR-84 through 86): The Governor recommends General Fund appropriations totaling \$485,323 over the 2015-17 biennium for three new positions and associated operating costs. The three new positions include one Operations Chief/Deputy Administrator (\$177,434) to manage and coordinate the Wildland Fire Protection Program, the Conservation Camp Program, the Aviation Program and the Natural Resources Program; one Business

Process Manager (\$191,666) to manage Geospatial Information Services (GIS) for the division's Wildland Fire Protection Program, the Conservation Camp Program, the Aviation Program and Natural Resources Program; and one Equipment Mechanic (\$116,223) to assist with the maintenance and repair of the division's vehicles and heavy equipment statewide. The agency indicates with the combination of aging vehicles and equipment (oldest 1959 and newest 2014); and with the extensive fleet of vehicles and equipment (approximately 450 pieces of equipment), it is becoming difficult for the current equipment mechanics to keep up with necessary maintenance and repairs. Currently, the equipment mechanic staff comprises six full-time equipment mechanics performing maintenance and repair in four locations around the state. The agency indicates since recent fire seasons have extended beyond the traditional five to six months, the maintenance backlog has doubled.

Fiscal staff notes that the Operations Chief/Deputy Administrator position is technically not a new position for the 2015-17 biennium. During the 2013-15 biennium, the agency's Operations Chief/Deputy Administrator position was funded with a transfer from the Forestry Inter-Governmental Agreement budget. However, the Forestry Inter-Governmental Agreement budget and the funding received from that account to fund the Operations Chief/Deputy Administrator position is recommended to be eliminated in Decision Unit E-490 as discussed under Other Items number 6. Decision Unit E-225 technically changes the funding source of the Operations Chief/Deputy Administrator position from non-General Funds to General Fund appropriations.

Does the Subcommittee wish to approve the Governor's recommendation to fund three new positions (one Operations Chief/Deputy Administrator position, one Business Process Manager position and one Equipment Mechanic position) and associated operating costs with General Fund appropriations totaling \$485,323 over the 2015-17 biennium?

3. Funding Source Changes and Funding for Seasonal Salaries and Vehicle Operations (E-230, E-231 and E-350; DCNR-86 and 87): The Governor recommends General Fund appropriations totaling \$706,374 for the 2015-17 biennium to replace federal funding received by the Division of Forestry from the U.S. Forest Service for the salaries and associated operating costs of seasonal firefighters and three Forester positions. The division indicates the federal funds from the U.S. Forest Service, which currently funds seasonal firefighters, will not be available beyond the current biennium and will only be available to fund the three Forester positions through FY 2016. In addition, the General Fund appropriation recommended by the Governor replaces the funding transferred from the division's Inter-Governmental Agreement budget for administrative services provided by staff in the Forestry budget. The Inter-Governmental Agreement All-Risk Fire Management Program (ARFM) funded by participating counties via a county assessment is currently being phased out, with the final county participating in that program transitioning out by June 30, 2015.

Does the Subcommittee wish to approve the Governor's recommendation to replace federal funding received by the Division of Forestry from the U.S. Forest Service with General Fund appropriations totaling \$706,374 for the 2015-17 biennium for the salaries and associated operating costs of seasonal firefighters and three Forester positions?

In addition to the funding source changes, the Governor recommends General Fund appropriations totaling \$376,466 over the 2015-17 biennium to fund costs that have been previously funded with federal funds from the U.S. Forest Service and by the counties in the Forestry Inter-Governmental budget as follows:

- Seasonal Salaries (E-230, DCNR-86): In addition to the replacement of federal funds, The Executive Budget recommends \$124,518 for FY 2016 and \$129,828 for FY 2017 to fund the seasonal salaries for six seasonal positions (each position funded for five months each fiscal year)

that were previously funded with federal funds from the U.S. Forest Humboldt/Toiyabe National Forest. According to the division, federal funding for these positions was not received in time to fill the positions in FY 2014; therefore, the costs of these seasonal positions were not included in the base budget. The agency indicates the funding for these seasonal positions is critical to ensure sufficient staffing for wildland fire suppression during fire season. Per NRS 286.297, Section 9, persons assigned to intermittent or temporary positions, unless the assignment exceeds six consecutive months, are excluded from membership in the Public Employees Retirement System. The amounts recommended for seasonal salaries include retirement for the six seasonal positions that are recommended to be funded for only five months. The total costs of salaries and fringe benefits for five months for the five seasonal positions without retirement, is \$113,274 in FY 2016 and \$116,976 in FY 2017. **Fiscal staff has included a technical adjustment in this closing document to reduce seasonal salaries by \$11,244 in FY 2016 and \$12,852 in FY 2017, with a corresponding decrease of General Fund appropriations.**

Does the Subcommittee wish to approve the Governor's recommendation to fund seasonal salaries for six seasonal positions (each position funded for five months each fiscal year), with General Fund appropriations totaling \$113,274 for FY 2016 and \$116,976 for FY 2017, including the technical adjustments noted by staff?

- Vehicle Operating and Maintenance Costs (E-350, DCNR-87): In addition to the replacement of the transfer from the ARFM budget, General Fund appropriations of \$61,060 are recommended in each year of the 2015-17 biennium for the division to maintain and operate heavy equipment and vehicles retained by the state with the phase-out of the ARFM. In conjunction with the phase-out of this program, negotiations took place between the state and individual counties as to who would retain the heavy equipment and vehicles assigned to the counties. The assignment of equipment resulting from the negotiations was primarily based upon the funding source initially used to purchase the vehicles and heavy equipment. **This recommendation appears reasonable.**

Does the Subcommittee wish to approve the Governor's recommendation to fund vehicle operating and maintenance costs to maintain and operate heavy equipment and vehicles retained by the state with the phase-out of the All-Risk Fire Management program, funded with General Fund appropriations totaling \$61,060 in each year of the 2015-17 biennium?

Other Closing Items

1. Adjusted Base Budget (BASE, DCNR-79 through 81): During the adjusted base review process, Fiscal staff identified several issues that carried over in the Governor's recommended budget. Fiscal staff in consultation with the agency and the Executive Budget Office is working to resolve the issues identified below, the resolution of which may require one or more technical adjustments.
 - a. Air Operations Reimbursements from the Nevada Department of Wildlife (NDOW): The reimbursement for Air Operations was eliminated by the division and the Executive Budget Office during the Adjusted Base budget review. Fiscal staff notes reimbursements from NDOW to the Division of Forestry for Pilots to fly missions for NDOW occurs every year and the reimbursement offsets a portion of the Pilot's salary and the cost of the aircraft used. Based on a review of prior year receipts, **Fiscal staff has included a technical adjustment in this closing document to increase the Air Operations reimbursements revenue line item by \$5,182 for each year of the 2015-17 biennium, and a corresponding decrease to General Fund appropriations, based on the lowest year of reimbursements.**
 - b. Personnel Costs (Base and M-300, DCNR-79 through 81 and 83): **Fiscal staff has included technical adjustments in this closing document to increase Personnel costs as a result of an upgrade for a Forester position to a Conservation Staff Specialist position effective**

2/6/15 (the position is part of the Sagebrush Ecosystem Program Technical Team); and to correct the step of the Aviation Services Officer position from a step 1 to a step 10 for the current incumbent, which allows staff to correctly calculate the amount of the funding to be transferred from the Fires Suppression budget for 25 percent of the costs for the Aviation Services Officer position. The technical adjustments for the increase in costs for the Conservation Staff Specialist position upgrade and the step increase for the Aviation Services Officer, results in an increase of General Fund appropriations totaling \$11,690 in FY 2016 and \$11,016 in FY 2017 (includes costs in the Adjusted Base budget and Decision Unit M-300).

- c. **Seasonal Salaries:** The Executive Budget recommends funding for seasonal salaries of \$483,267 in FY 2016 and \$499,543 in FY 2017 funded with General Fund appropriations in the Adjusted Base budget. Per NRS 286.297, persons assigned to intermittent or temporary positions unless the assignment exceeds six consecutive months are excluded from membership in the Public Employees Retirement System. The amounts recommended for seasonal salaries include retirement for seasonal positions that are recommended to be funded for six months or less. **Fiscal staff has included a technical adjustment in this closing document to reduce seasonal salaries by \$12,850 in FY 2016 and \$13,452 in FY 2017 with a corresponding decrease to General Fund appropriations in each year.**
 - d. **Transfer from the Fires Suppression Budget for Air Operations:** A portion of the salaries and fringe benefits for the air operations staff is funded via a transfer from the Forest Fire Suppression budget. However, the methodology used for prior biennia is different from the methodology used for the 2015-17 biennium. **Fiscal staff has included a technical adjustment in this closing document to correct the transfer from the Forest Fire Suppression budget to reflect the methodology used in prior biennia, resulting in a decrease to the Transfer from the Forest Fire Suppression budget of \$18,645 in FY 2016 and \$19,437 in FY 2017, and corresponding increases to General Fund appropriations in each year.**
2. **Director's Office (DO) Cost Allocation (BASE, M-801, and E-801 DCNR-79 through 81, 84 and 90):** In Decision Unit M-801 the Governor recommends General Fund appropriations of \$102,916 for FY 2016 and \$107,758 for FY 2017 for Forestry's share of the DO cost allocation. By comparison, in FY 2014, Forestry's share of the DO cost allocation was \$6,000. Fiscal staff identified issues with the current methodology used for the Director's Office cost allocation. The current cost allocation methodology does not allocate 100 percent of the personnel expenditures and does not consider the percentage of the non-General Fund sources in each agency's budget for the costs to be allocated. Fiscal staff met with the Executive Budget Office and DCNR to discuss a new cost allocation methodology, which would allocate personnel costs based on the percentage of FTE's for the non-General Fund share of costs only. The General Fund share of the Director's Office cost allocation is appropriated to the DCNR Administration budget. The department concurs with the proposed methodology change for the DO cost allocation. Although the allocation of the DO cost allocation to other DCNR agencies would increase the General Fund support in this budget, department-wide, a total General Fund savings of \$96,406 in FY 2016 and \$93,500 in FY 2017 would be realized in the DCNR Administration budget as a result of the change in the methodology used for the DO cost allocation.

Based on modifications to the methodology used for the Director's Office cost allocation, which were agreed upon with the department and the Executive Budget Office, Fiscal staff included technical adjustments to the cost allocation, as reflected on the first page of this closing document. The change in the methodology increases General Fund appropriations and the cost allocation expense by \$22,357 in FY 2016 and by \$13,191 in FY 2017 over the amounts recommended by the Governor.

In Decision Unit E-801, The Executive Budget recommends General Fund appropriations of \$3,995 in FY 2016 for Forestry's share of \$75,810 recommended by the Governor to purchase four new virtual servers, one backup server, new storage, a warranty renewal on existing storage backup software and a maintenance contract on the new backup software. The costs are recommended to be allocated to the various agencies that use the servers in the Bryan building based on a percentage of server usage. **With the technical adjustment Fiscal staff included in this closing document for Decision Unit M-801, these recommendations appear reasonable.**

3. Deferred Maintenance (M-425, DCNR-83): The Governor recommends a General Fund appropriation totaling \$382,650 in FY 2017 for deferred maintenance projects with emphasis on life and safety issues. Projects include lighting replacements, electrical upgrades and repairs, floor covering, drainage improvements, erosion control, vehicle exhaust extraction system, door repairs, and water heater replacements. **This recommendation appears reasonable.**
4. Increased Funding for Training (E-235, DCNR-87): The Executive Budget recommends General Fund appropriations of \$25,000 for FY 2016 and \$50,000 for FY 2017 to fund additional training needs to meet the National Wildland Coordinating Group Standards for wildland fires. The agency indicates wildland fire training for the current biennium is funded with federal funds from the U.S. Forest Service; however, the funding source is being eliminated. Training classes include fire-line leadership training, and dozer and fire engine academy training. **This recommendation appears reasonable.**
5. Maintenance Cost for an In-Stream Gauge Located at Mount Charleston (E-351, DCNR-88): The Governor recommends General Fund appropriations of \$6,000 for each year of the 2015-17 biennium to fund the state's portion of a joint funding agreement with the U.S. Geological Survey for the annual maintenance costs associated with an in-stream gauge at the Mount Charleston/Kyle Canyon storm water diversion structure. **This recommendation appears reasonable.**
6. Elimination of Six Positions (E-490, DCNR-88): The Governor recommends the elimination of the division's All-Risk Fire Management Program (ARFM). The 2011 Legislature approved maintaining all-risk emergency response service agreements with Clark (Mt. Charleston area only) Elko, and Eureka counties until at latest the end of FY 2015. In place of the ARFM, the 2013 Legislature approved a new Wildland Fire Protection Program to which several counties have transitioned. The elimination of the ARFM includes the recommended elimination of six positions (three Administrative Assistants, one Deputy State Forester and one Forestry Program Manager) and associated operating expenses funded through a transfer totaling \$789,378 for the 2015-17 biennium from the Inter-Governmental Agreement budget (county assessments) to the Forestry budget. **This recommendation appears reasonable.**
7. Replacement Equipment (E-710 and E-711, DCNR-89 and 90): The Executive Budget recommends \$1.0 million (General Fund appropriations of \$977,046) over the 2015-17 biennium for replacement equipment for the division statewide. Equipment recommended for replacement includes computer hardware and software, chainsaws, shop equipment, a heavy-duty chipper, seed drill trailer, 12 older vehicles with high mileage, and a helicopter seat conversion to modify a Nevada Division of Forestry (NDF) helicopter with a left hand drive door conversion. The conversion allows the pilot to operate the helicopter from the left seat to perform long-line/vertical lift operations safely.

Fiscal staff requested the agency to provide new quotes for all equipment recommended in Decision Units E-710 and E-711, from vendors willing to provide discounts to state agencies. The new quotes for the chainsaws and shop equipment were less than the amounts included in The Executive Budget. As a result, General Fund appropriations decrease by \$2,081 over the 2015-17 biennium in Decision Unit E-710 as a result of a decrease in the price quoted for the chainsaws, shop equipment, the heavy duty chipper, the helicopter seat conversion and computer hardware (HP plotter); and General Fund appropriations increase by \$18,984 in FY 2017 for

Decision Unit E-711, as a result of an increase in the unit price for the package upgrades to the vehicles recommended for replacement. **Fiscal staff has included a technical adjustment in this closing document to decrease General Fund appropriations by \$2,081 over the 2015-17 biennium for Decision Unit E-710 and to increase General Fund appropriations by \$18,984 in FY 2017 for Decision Unit E-711.**

With the technical adjustments this recommendation appears reasonable.

8. Transfer-in of Two Conservation Camp Supervisor Positions (E-900, DCNR-91): The Governor recommends the transfer of two Conservation Crew Supervisor positions from the Forestry Conservation Camps budget to the Forestry budget with no change in the funding source. General Fund appropriations totaling \$129,379 in FY 2016 and \$133,134 in FY 2017 fund the position and associated operating costs of the two positions recommended for transfer. The division indicates the duties of the two Conservation Crew Supervisor positions are directly tied to the Helitack Air Operations Program, which is managed in the Forestry budget. Fiscal staff notes the agency indicates the duties assigned to the two Conservation Crew Supervisors recommended to be transferred to the Forestry budget for the Helitack program will only differ during fire season. During fire season, the two Conservation Crew Supervisor positions would act as crew bosses supervising seasonal firefighters assigned to a Helitack crew. The agency indicates during the non-fire season, the two Conservation Crew Supervisors would continue to supervise inmate crews and generate revenues from camp projects. Based on the information provided by the agency, it does not appear to Fiscal Staff that the agency has sufficiently justified a need to transfer the two Conservation Crew Supervisor positions to the Forestry budget since a majority of the year the two positions would be supervising inmate crews during the non-fire season. **Approval of this decision unit is contingent upon the closing action by the Subcommittee in the Forestry Conservation Camps budget.**

Additionally, Fiscal staff notes the agency inadvertently excluded the two Conservation Crew Supervisor positions in Decision Unit E-813 in the Forestry Conservation Camps budget to reclassify all 76 Conservation Crew Supervisor positions (only 74 of the 76 Conservation Crew Supervisor positions were included in Decision Unit E-813 in the Forestry Conservation Camps budget). The upgrade of the Conservation Crew Supervisor positions is recommended to become effective in FY 2017.

Fiscal staff has included a technical adjustment in this closing document to add Decision Unit E-813 in FY 2017 to include the upgrade for the two Conservation Crew Supervisor positions that are recommended to be transferred from the Forestry Conservation Camps budget to this budget to align with the recommendation in The Executive Budget to upgrade all 76 of Conservation Crew Supervisor positions in the Forestry Conservation Camps budget included in Decision Unit E-813. If the Subcommittee does not approve the transfer of the two Conservation Crew Supervisor positions from the Forestry Conservation Camp budget to this budget, Fiscal staff will need to make a technical adjustment to add the two positions to Decision Unit E-813 in the Forestry Conservation Camps budget.

Staff recommends that Other Closing Items 1 through 7 be closed as recommended by the Governor with the technical adjustments noted by staff and with authority to make other technical adjustments as necessary.

Additional Information - No Action Necessary

1. One-Shot Appropriation (INTRODUCTION-18): The Executive Budget includes a General Fund appropriation of \$1.1 million in FY 2016 for the Division of Forestry to replace one aviation fuel truck, two type 3 engines, and one water tender used for firefighting. The existing equipment that is recommended for replacement is either completely out-of-service or has high mileage. The one-shot appropriation for the Forestry budget is included in Senate Bill 428, which was introduced in Senate Finance on March 23, 2015.

2. Supplemental Appropriation (INTRODUCTION-20): The Executive Budget recommends General Fund appropriations of \$266,653 for FY 2015 to fund the cost of terminal leave (\$86,407) for employees in the Forestry budgets who have retired or are scheduled to retire in FY 2015. In addition, the supplemental appropriation is recommended to fund the cost of a Public Employees' Retirement System (PERS) buyout (\$180,246) for an employee funded with county assessments in the Forestry budget that retired early because of the scheduled elimination of the ARFM by the end of FY 2015. Fiscal staff notes the amounts for the supplemental appropriations listed in The Executive Budget for the Forestry budget and the Forestry Conservation Camps budget were reversed. The total amount of the supplemental appropriation for the Forestry budget should be \$266,653 and the amount of the supplemental appropriation for the Forestry Conservation Camp budget should be \$59,634. The supplemental appropriation for the Forestry budget is included in Senate Bill 486, which was introduced in Senate Finance on March 23, 2015. However, on April 2, 2015, the Executive Budget Office notified Fiscal staff that the supplemental funding was no longer needed, as the agency has sufficient vacancy savings to make up for the cost of terminal leave for employees in the Forestry budget who have retired or are scheduled to retire in FY 2015.

3. Capital Improvement Projects (15-M36, APPENDIX-5): The Governor recommends General Fund appropriations of \$378,372 for fire and life safety upgrades to the Kyle Canyon fire station for the Division of Forestry. This project would address all of the code violations, upgrade the fire station to meet the current code for facility use, and provide necessary protection from erosion and rocks falling around the site. The upgrades include second floor exit stairs, furnace flue modifications, electrical remediation, structural remediation and site erosion protection.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W02 - WORKING VERSION 2

Title: DCNR - FORESTRY - WILDLAND FIRE PROTECTION PRGM
Account: 101 - 4194

Budget Page: DCNR-108, Volume III

Revenues	2013-14 Actual	2014-15 WP	%	2015-16 GOV REC	%	2016-17 GOV REC	%
			Chg		Chg		Chg
BALANCE FORWARD	(703,061)	703,062	(200.00)	1,352,491	92.37	1,813,068	34.05
GENERAL FUND	182,774	264,474	44.70	419,621	58.66	445,305	6.12
OTHER FUND	1,252,500	2,275,000	81.64	2,275,000		2,275,000	
REVERSIONS	(66,909)						
Total Revenues	665,304	3,242,536	387.38	4,047,112	24.81	4,533,373	12.02
Total FTE		17.00		18.00		18.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	00	2511	Increase the Balance Forward for the increase to reserves, resulting from the decrease to Seasonal Salaries to eliminate retirement costs for those seasonal positions that do not exceed six months.		51,596
E240	00	2501	Reduce General Fund appropriations for the reduction to operating costs for the new Pilot position to reflect the appropriate amount for nine months based on the recommended start date of October 1, 2015.	(2,250)	
Sub-total				(2,250)	51,596
Line Item Changes to Revenues				(2,250)	51,596

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	01	5000	Reduce Seasonal Salaries to eliminate retirement costs for those seasonal positions that do not exceed six months.	(51,596)	(58,945)
B000	85	9000	Increase reserves for the decrease to the Seasonal Salaries to eliminate retirement costs for those seasonal positions that do not exceed six months.	51,596	110,541
E240	04	7000	Reduce operating costs for the new Pilot position to reflect the appropriate amount for nine months based on the recommended start date of October 1, 2015.	(2,250)	
Sub-total				(2,250)	51,596
Line Item Changes to Expenditures				(2,250)	51,596

Total	0	0
Grand Total General Fund Impact of Closing Changes	(2,250)	0

Overview

The Wildland Fire Protection Program (WFPP) was established during the 2013-15 biennium as a voluntary, cooperative arrangement between the Nevada Division of Forestry and local governments. The program was developed to provide a statewide, comprehensive WFPP to educate and prepare landowners, to reduce the threat of wildfire, to provide a well-trained and equipped wildfire suppression

force, and to rehabilitate damaged lands after a fire. The WFPP is funded through fees paid by the participating local jurisdictions and General Fund appropriations.

Major Closing Issues

1. One New Pilot Position and Two New Contracted Seasonal Positions
2. Forestry Air Operations Program

Discussion of Major Closing Issues

1. One New Pilot Position and Two New Contracted Seasonal Positions (E-240, DCNR-110): The Governor recommends General Fund appropriations of \$167,616 in FY 2016 and \$193,790 in FY 2017 to fund one new Pilot position with associated operating costs and two new contract seasonal drivers for the WFPP's aviation operations. According to the division, the WFPP operates three helicopters for fire suppression and personnel/cargo transport. To operate the helicopters, the division indicates it currently has two full-time pilots (one position funded in this budget and one position funded in the Forestry budget) and two six-month seasonal pilot positions (funded in the Forestry budget), which allows the division to operate two helicopters five days a week and one helicopter over the weekend during fire season (roughly May through September). The division indicates the addition of one new Pilot position would maximize aviation capability and provide greater wildland fire protection by allowing the division to fly two helicopters seven days a week during fire season when the two seasonal positions are filled. In addition, the division indicates that as climate conditions change and the state's drought continues, the fire season is now year around. According to the division, the agency's Pilots work year around to ensure aircraft worthiness, obtain training certifications, and to perform wildland fire rehabilitation projects and to respond to wildland fires.

Fiscal staff would note the operating costs recommended for FY 2016, totaling \$9,000 include funding for an entire fiscal year; however, the new Pilot position is not recommended to start until October 1, 2015. **Fiscal staff has included a technical adjustment in this closing document to decrease the recommended funding for operating costs by \$2,250 in FY 2016, with a corresponding decrease to General Fund appropriations for the new Pilot position.** The division concurs with this adjustment.

Fiscal staff notes the position description for the new Pilot position indicates the new Pilot would fly missions for the Nevada Department of Wildlife. Similar to the Pilots in the Forestry budget, a revenue source should be included in WFPP for the Department of Wildlife to reimburse the WFPP program for the costs incurred in flying missions for the Department of Wildlife for the Pilot recommended in Decision Unit E-240 and for the existing Pilot. The division testified at the February 24, 2015, budget hearing that the Pilot positions in the Wildland Fire Protection Program budget could fly missions for the Department of Wildlife. **Fiscal staff requests authority to make a technical adjustment to include a revenue line item in the Wildland Fire Protection Program budget to receive reimbursements from the Department of Wildlife for the cost of the Pilot's salary and fringe benefits (in this budget) and the cost of the aircraft (reimbursed to the Wildland Fire Suppression budget) used to fly for the Department of Wildlife's missions. Fiscal staff will work with the division to determine the appropriate amount, which would offset General Fund appropriations.**

Fiscal staff would note that the Clark County Commission approved a resolution at its February 17, 2015, meeting to reorganize the Mount Charleston Fire Protection District from a NRS 473 State Fire Protection district to a NRS 474 County Fire Protection District effective July 1, 2015. However, at this time, the division indicates Clark County has not made a commitment to join the Wildland Fire Protection Program. At the February 24, 2015, budget hearing the division testified that the need for the new Pilot position recommended in this decision unit would be contingent upon Clark County's participation in the Wildland Fire Protection program.

If the Subcommittee recommends approval of the new Pilot position, Fiscal staff recommends the transfer of the division's Air Operations Program costs and the General Fund appropriations for those costs from the Wildland Fire Protection Program budget to the Forestry main operating budget.

The Subcommittee may wish to consider the following options:

- a) **Approve the Governor's recommendation to fund a new Pilot position and associated costs totaling \$167,616 in FY 2016 and \$193,790 in FY 2017, including the technical adjustments noted by staff.**
- b) **Approve the Governor's recommendation to fund a new Pilot position and associated costs totaling \$167,616 in FY 2016 and \$193,790 in FY 2017, funded with General Fund appropriations, including authority for Fiscal staff to transfer the Pilot position and associated costs to the Forestry budget to consolidate the total cost of Air Operations for the division, including the technical adjustments noted by staff.**
- c) **Do not approve the Governor's recommendation to fund a new Pilot position and associated costs totaling \$167,616 in FY 2016 and \$193,790 in FY 2017, funded with General Fund appropriations, until such time as Clark County joins the division's Wildland Fire Protection Program.**

Additionally, the recommended funding supports a new \$70,000 contract for each year of the 2015-17 biennium for two seasonal truck drivers with hazmat certifications to drive the division's two aviation fuel trucks during fire season. According to the division, seasonal firefighters currently perform this function, reducing the number of firefighters that are available to suppress fires. The division indicates that by hiring contract truck drivers the seasonal firefighters would be available for the fire line and safety would be improved by having professional drivers transport aviation fuel. **This recommendation appears reasonable.**

If the Subcommittee approves the Governor's recommendation to fund \$70,000 each year of the 2015-17 biennium with General Fund appropriations for two seasonal truck drivers with hazmat certifications to drive the division's two aviation fuel trucks during fire season for the division's Helitack program, Fiscal staff recommends the transfer of the costs associated with the contract for the division's Helitack program to the Forestry budget, where the Governor also recommends the transfer of two Conservation Crew Supervisor positions from the Conservation Camps budget to the Forestry budget for the Helitack program. **The agency does not concur.**

Does the Subcommittee wish to approve the Governor's recommendation of General Fund appropriations totaling \$70,000 in each year of the 2015-17 biennium to fund a contract for two seasonal truck drivers with hazmat certifications to drive the division's two aviation fuel trucks during the fire season for the division's Helitack program, including staff's recommendation to transfer the costs of the contract for the Helitack program to the Forestry budget?

2. Forestry Air Operations Program: Currently, the Division of Forestry's Air Operations program is split between the Forestry Division's main budget and the WFPP budget. General Fund appropriations for two Pilot positions, one Helitack Supervisor position and contract services for two seasonal fuel truck drivers, as well as associated operating expenses are recommended in the WFPP budget. In addition, one Pilot, one Aviation Services Officer position, one Aircraft Maintenance Specialist position, two Conservation Crew Supervisor positions (recommended to be transferred from the Conservation Camps budget to the Forestry budget for the Helitack program) and two seasonal Pilot positions are

recommended in the Forestry budget. It is unclear to Fiscal staff why the Forestry Air Operation program is split between two budgets. Generally, to provide better transparency, all of a program's costs are included in a single budget unless there are specific reasons or circumstances to diverge from this practice.

When asked by Fiscal staff why costs associated with the division's air operations program were budgeted in two separate budgets, the division indicated the Pilot position and the Air Operation's Supervisor position and associated costs are included in the WFPP budget to demonstrate the state's commitment to the counties that are participating in the WFPP, to keep the WFPP air operation funding separate from the primary Forestry budget. However, if the division's air operations program were to be consolidated into one budget, the division would still be able to demonstrate the costs associated with the Air Operations program in the Forestry budget to any participating county upon request. In addition, staff would note, that not only does the division provide aviation support to the counties that are participating in the Wildland Fire Protection Program, but these counties are also supported with General Fund appropriations via the Wildland Forest Fire Suppression budget. When a wildland fire occurs in a county that is participating in the WFPP, the expenses incurred as a result of the wildland fire, which are in addition to the personnel and operating expenses paid out the WFPP budget, are paid from the Wildland Forest Fire Suppression budget. Based on this information, Fiscal staff does not believe the division has provided sufficient justification to separate the division's Air Operations program between two separate budgets. Therefore, Fiscal staff would recommend the transfer of all air operation costs and 100 percent of the General Fund appropriations for those costs from the Wildland Fire Protection Program budget to the Forestry budget. **The division does not concur.**

Does the Subcommittee wish to approve staff's recommendation to consolidate all Air Operations Program costs funded with General Fund appropriations from the Wildland Fire Protection budget to the Forestry budget?

Other Closing Item

Adjusted Base Budget (BASE, DCNR-108): The Executive Budget recommends funding for seasonal salaries of \$619,347 in FY 2016 and \$640,831 in FY 2017 funded with County Participation Funds. Per NRS 286.297, persons assigned to intermittent or temporary positions unless the assignment exceeds six consecutive months are excluded from membership in the Public Employees Retirement System. The amounts recommended for seasonal salaries include retirement for 23 seasonal positions that are recommended to be funded for only six months. **Fiscal staff has included a technical adjustment in this closing document to reduce seasonal salaries by \$51,596 in FY 2016 and \$58,945 in FY 2017 with a corresponding increase to reserves. Seasonal employees are not eligible to contribute to retirement unless the assignment exceeds six consecutive months (NRS 286.293).** The division concurs with the technical adjustment.

With the technical adjustment, the Adjusted Base Budget appears reasonable.

Staff recommends that all Other Closing Items be closed as recommended by the Governor with the technical adjustments noted by staff and with authority to make other technical adjustments as necessary.

Additional Information - No Action Necessary

Overview of the Wildland Fire Protection Program: As noted above, the WFPP was established during the 2013-15 biennium as a cooperative arrangement between the Nevada Division of Forestry and local governments. The creation of the WFPP allowed the division to continue the transition from the division's historical use of the NRS 473 All-Risk Fire Protection Districts, in the Forestry Inter-Governmental Agreement budget to a statewide comprehensive wildland fire management approach.

The 2013 Legislature approved General Fund appropriations of \$447,248 over the 2013-15 biennium, as well as county assessment revenue of \$3.6 million over the biennium, to support the new voluntary, risk-based WFPP. Services provided by the WFPP include aerial and ground fire suppression capabilities, fire prevention planning services, and natural resource health and restoration expertise to all participating counties and other local jurisdictions. The Legislature also approved the creation of a new WFPP budget within The Executive Budget, as well as 17 new positions including 15 permanent firefighting positions, 1 Pilot position, 1 Helitack Supervisor position and 12 seasonal firefighting positions for FY 2014 and 24 seasonal firefighting positions for FY 2015. The 17 permanent positions and 24 seasonal positions were based upon all 17 Nevada counties participating in the WFPP program. However, the division indicated that positions would only be filled as needed, as the various counties joined the WFPP. Finally, in order to provide the Legislature with updates during the biennium on the development and implementation of the WFPP, the 2013 money committees approved the issuance of a letter of intent to the Division of Forestry requesting semi-annual reports be provided to the Interim Finance Committee (IFC).

The December 1, 2014, semi-annual report submitted to the IFC by the Division of Forestry indicated 18 local governmental entities are currently participating in the WFPP, and Elko County was scheduled to join by January 1, 2015. The division indicated there were ongoing discussions with Clark and White Pine counties and the City of Sparks about joining the WFPP. The report also indicated that the current financial status of the program was satisfactory. However, as of the date of the report, the division stated it was difficult to determine if the assessment fee structure was adequate to support the program.

Fiscal staff notes at the end of FY 2014, the WFPP budget had an ending reserve balance of \$703,062. For the upcoming biennium, The Executive Budget recommends reserves of \$1.8 million at the end of FY 2016 and \$2.2 million at the end of FY 2017. Typically, reserves are used for cash flow purposes and are equivalent to 90 days of expenditures. For FY 2016, a 90-day reserve would equate to \$550,860 and for FY 2017 a 90-day reserve would equate to \$570,193. The division indicates the program was designed to build a reserve of 90 days of operating expenses and also build a pool of unspent county funds that would be available for program augmentation, such as to purchase additional equipment or to fund seasonal salaries for an exceptionally heavy fire year.

In regard to the three performance indicators identified by the division for the WFPP, the division reported that during the 2014 fire season the division had a 94.4 percent success rate of fires contained in the first burn period and 100 percent of the division's billings for incidents were submitted to the responsible agency in a timely manner. However, the division was not able to report on the number of mutual aid requests that were filled, due to the insufficient collection of data from the most recent fire season. The division indicated the last performance indicator might need to be revised.

The 2013 Legislature approved maintaining all-risk emergency response service agreements with Clark (Mt. Charleston area only), Elko, and Eureka counties through no later than June 30, 2015. During the current biennium, Elko and Eureka counties have transitioned out of the division's Inter-Governmental Agreement All-Risk Fire Management (ARFM) program. Clark County is currently the only county remaining in the program. The Clark County Commission approved a resolution at its February 17, 2015, meeting to reorganize the Mount Charleston Fire Protection District from a NRS 473 State Fire Protection district to a NRS 474 County Fire Protection District effective July 1, 2015.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W02 - WORKING VERSION 2

Title: DCNR - FOREST FIRE SUPPRESSION
Account: 101 - 4196

Budget Page: DCNR-95, Volume III

Revenues	2013-14 Actual	2014-15 WP	%	2015-16 GOV REC	%	2016-17 GOV REC	%
BALANCE FORWARD	1,494,071	1,672,494	11.94	1,922,494	14.95	1,922,494	
FEDERAL FUND	43,502	636,125	1362.29	5,208,012	718.71	708,012	(86.41)
GENERAL FUND	2,499,636	2,499,636		7,923,398	216.98	2,502,771	(68.41)
INTERAGENCY TRANSFER	11,581			33,254		33,254	
OTHER FUND	4,356,144	2,905,732	(33.30)	3,150,025	8.41	3,152,624	0.08
Total Revenues	8,404,934	7,713,987	(8.22)	18,237,183	136.42	8,319,155	(54.38)

Total FTE

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	00	2501	Decrease General Fund appropriations by the amount that exceeds the annual \$2.5 million appropriation for each fiscal year.	(1,807)	(2,771)
B000	00	2511	Increase the Balance Forward as a result of the decrease to the transfer to the Forestry budget for the Central Reporting Unit (CRU) unit to reconcile to the revenue line item in the Forestry budget.		236
E226	00	2501	Decrease General Fund appropriations by \$900,000 for the FEMA Fires Assistance subgrants included in the amount recommended to be funded with the General Fund appropriations for outstanding fire billings. In addition, the decrease to the General Fund appropriations includes an adjustment for prior year fire billings that have been received and can be paid for using prior year reimbursements that have been received in FY 2015 totaling \$105,799 for the Peddler Fire. Finally, the balance of the decrease to the General Fund appropriations totaling \$26,808 is an adjustment to reconcile to the most current outstanding fire billings report provided by the division.	(1,032,607)	
E226	00	3576	Increase the FEMA Fire Assistance Grants revenue line item for the \$900,000 of FEMA Fire Assistance subgrants from FY 2014 that the division will need to pay, which will be reimbursed by the grant. The \$900,000 for the FEMA Fire Assistance subgrants was inadvertently included to be funded with General Fund appropriations in this decision unit.	900,000	
Sub-total				(134,414)	(2,535)
Line Item Changes to Revenues				(134,414)	(2,535)

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	10	7000	Decrease Fires Suppression category as a result of decreasing General Fund appropriations by the amount that exceeds the annual \$2.5 million appropriation for each fiscal year.	(1,807)	(2,771)
B000	10	7000	Increase the Fire Suppression Cost category as a result of the decrease to the transfer of the costs allocated for Air Operations positions from the Forestry budget to the Forest Fire Suppression budget, which were calculated incorrectly.	18,478	19,437
B000	11	9000	Decrease the Transfer to 4195 category for the transfer of costs allocated for Air Operations positions from the Forestry budget to the Forest Fire Suppression budget, which were calculated incorrectly.	(18,478)	(19,437)
B000	15	9000	Decrease the Transfer to CRU in 4195 category to reconcile to the	(236)	(259)

			revenue line item in the Forestry budget.		
B000	84	9000	Increase the Reserves for CRU Future Year Funding category as a result of the decrease of the transfer to the Forestry budget in category 15.	236	495
E226	19	7000	Increase the FEMA Fire Assistance Grants category to include FY 2014 outstanding subgrants that were inadvertently funded with General Fund appropriations in this decision unit.	900,000	
E226	82	7000	Reduce the Prior Year Claims category by the amount transferred to category 19 for the FEMA Fires Assistance subgrants totaling \$900,000 and for prior year fire billings that have been received and can be paid for by using prior year reimbursements that have been received in FY 2015 totaling \$105,799 for the Peddler Fire. Finally, the balance of the decrease to the General Fund appropriations totaling \$26,808 is an adjustment to reconcile to the most current outstanding fire billings report provided by the division.	(1,032,607)	
Sub-total				(134,414)	(2,535)
Line Item Changes to Expenditures				(134,414)	(2,535)
Total				0	0
Grand Total General Fund Impact of Closing Changes				(1,034,414)	(2,771)

Overview

The Forest Fire Suppression budget provides funding to protect public and private land, property, and resources from fires, floods, and other disasters and emergencies. The budget is funded by General Fund appropriations, Federal Emergency Management Agency (FEMA) Fire Management Assistance Grants (FMAG), and reimbursements for firefighting and emergency response provided on lands outside of the state's jurisdiction. In heavy fire years when authorized funds are insufficient to meet the state's obligations, the agency may request additional funding from the Interim Finance Committee Contingency Account, the Reserve for Statutory Contingency Account, or the Disaster Relief Account. There are no positions funded in this account.

Major Closing Issue

Prior Year Fire Billings from Federal Agencies

Discussion of Major Closing Issue

Prior Year Fire Billings from Federal Agencies (E-226, DCNR-96): The Governor recommends a General Fund appropriation of \$5.4 million and \$4.5 million in FEMA Fire Assistance Grants (\$9.9 million total) in FY 2016 to fund prior year fire billings from federal agencies. Fire billings from federal agencies result when federal agencies assist the state on wildland fires occurring on state lands for which the state would be required to reimburse the federal entity (typically the U.S. Forest Service or the Bureau of Land Management). Federal fire assistance may be required when state resources to suppress a wildland fire are insufficient or unavailable; and if a wildland fire occurs on state land, or if a wildland fire is considered a multi-jurisdiction fire (both state and federal lands are involved) and a cost share agreement is negotiated. Cost share agreements are usually based on a percentage of the total acreage for which each agency is responsible. The agency is dependent upon the workflow of the federal cooperating agencies that reside in different federal departments that have completely different processes. The agency must have all billings from all entities involved in a wildland fire incident before the agency can analyze and adjudicate cost sharing for each incident to determine which agencies should be reimbursed. According to the division, the agency is waiting for fire billings from both the U.S. Forest Service and the Bureau of Land Management for several incidents from both the 2013 and 2014 fire seasons totaling \$5.4 million of which \$900,000 is for subgrants from FY 2014 that will be funded from the FEMA Fire Assistance Grant. Larger wildland fires that require many resources, which typically include contracted resources for both air and ground support, take time to process all the payments and cross check against resource order numbers for the many

wildland fires that occur each year across the United States. The federal agencies typically have centralized billing centers, which may also contribute to billing delays.

Since the February 24, 2015, budget hearing the agency has only received fire billings for the Peddler Fire from 2013, which the division can now pay out of Prior Year Reimbursements received in FY 2015. Payment of the fire billing for the Peddler Fire in FY 2015, results in a decrease to the General Fund appropriation totaling \$105,799 for this decision unit. Fiscal staff would note, that if the agency receives additional prior year fire billings from the federal agencies in FY 2015, staff requests authority to make further technical adjustments to decrease the General Fund appropriations in this decision unit, as the agency could pay prior year fire billings in FY 2015 with receipts the division has received for the division's cost of fire billings to federal agencies for prior years (to date per DAWN, \$950,561 has been received by the division for prior year fire billings owed to the state).

In addition, staff has discovered that the division inadvertently included projected expenditures for subgrants totaling \$900,000 from 2014 fires that would be reimbursed to the division via the FEMA Fire Assistance Grant. The General Fund appropriation should be reduced by the \$900,000 with a corresponding increase to the FEMA Fire Assistance Grants revenue line item in this budget. Finally, the agency provided staff with the most recent fire billing accounts payable report, and the amount of General Fund appropriations needed compared to the amount recommended in The Executive Budget should be reduced by an additional \$26,808. **Fiscal staff has included a technical adjustment in this closing document to decrease General Fund appropriations by \$1.0 million in FY 2016 with a corresponding decrease to the Prior Year Claims expenditures category; and an increase to the FEMA Fire Assistance Revenue line item totaling \$900,000 in FY 2016 with a corresponding increase to the FEMA Fire Assistance Grants expenditure category.**

Does the Subcommittee wish to approve the Governor's recommendation, inclusive of the technical adjustments noted by staff, to fund prior year fire billings from federal agencies with General Fund appropriations totaling \$4.4 million and with funding from the FEMA Fire Assistance Grant totaling \$5.4 million in FY 2016?

Other Closing Items

1. General Fund Support (BASE, DCNR-95): The Governor recommends continuing General Fund appropriations of \$2.5 million in each year of the 2015-17 biennium in support of fire suppression and emergency response activities. The 2007 Legislature increased the annual General Fund appropriation in this account from \$1.0 million to \$2.5 million to more accurately reflect historic costs and to decrease the frequency in which the agency needed to request additional funds from contingency sources. Fiscal staff would note that the FY 2016 General Fund appropriation exceeds the \$2.5 million generally appropriated by \$1,807 and the FY 2017 General Fund appropriation exceeds the \$2.5 million generally appropriated by \$2,771. **Fiscal staff has included a technical adjustment in this closing document to reduce the General Fund appropriations by \$1,807 in FY 2016 and \$2,771 in FY 2017 to continue General Fund appropriations of \$2.5 million in each year of the 2015-17 biennium.**
2. Adjusted Base Budget (BASE, DCNR-95): Fiscal staff has identified several issues in the base budget for the Forest Fire Suppression budget and has resolved the issues with the agency. Following are technical adjustments Fiscal staff has included in this closing document.
 - The amount of funding that is transferred from the Forest Fire Suppression budget to the Forestry budget for the Central Reporting Unit does not reconcile to each other. **Fiscal staff has included a technical adjustment in this closing document to decrease the transfer from the Forest Fires Suppression budget to the Forestry budget for the Central Reporting Unit by \$236 in FY 2016 and \$259 in FY 2017 to reconcile the transfer amounts between budgets.**

- A portion of the salaries and fringe benefits for the air operations staff is funded via a transfer from the Forest Fire Suppression budget. However, the methodology used for the 2015-17 biennium represents a change from the methodology used for the 2013-15 biennium. **Fiscal staff has included a technical adjustment in this closing document to decrease the transfer to the Forestry budget by \$18,478 in FY 2016 and \$19,437 in FY 2017 to correct the amounts transferred to the Forestry budget based on the same methodology used for prior fiscal years for the personnel cost for certain positions assigned to Air Operations.**
- The Forest Fire Suppression budget includes two separate reserve categories for fleet expenditures each totaling \$250,000 of unexpended vehicle reimbursement revenue for each year of the 2015-17 biennium. The 2013 Legislature approved the Governor's recommendation to allow the agency to carry forward to the next fiscal year up to \$250,000 in each year of the 2013-15 biennium of unexpended vehicle reimbursement revenue. Additional language was added to the Authorizations Act (S.B. 521, Section 15) granting the agency authority to balance forward the unexpended vehicle repair funding. Fiscal staff is working with the agency to determine if two separate reserve categories are necessary. **Fiscal staff requests authority to make technical adjustments related to the two separate reserves as necessary.**

The Adjusted Base budget appears reasonable with the technical adjustments noted by staff.

Staff recommends that all Other Closing Items be closed as recommended by the Governor with the technical adjustments noted by staff and with authority to make other technical adjustments as necessary.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W01 - GOVERNOR RECOMMENDS

Title: WILDLIFE - DIRECTOR'S OFFICE
 Account: 101 - 4460

Budget Page: WILDLIFE-10, Volume III

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
FEDERAL FUND	61,352	55,840	(8.98)	97,148	73.98	97,126	(0.02)
INTERAGENCY TRANSFER	3,515,117	3,449,689	(1.86)	3,991,434	15.70	4,044,686	1.33
Total Revenues	3,576,469	3,505,529	(1.98)	4,088,582	16.63	4,141,812	1.30
Total FTE		18.00		19.00		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 Director's Office is responsible for the general administration of the Nevada Department of Wildlife (NDOW) including fiscal services and human resources administrative support functions. Additionally, the Director serves as Secretary to the Board of Wildlife Commissioners, which establishes policy and regulatory guidance for NDOW. Funding for the county advisory boards, which advise the Board of Wildlife Commissioners and the agency on wildlife management issues, is included in this budget.

This budget is funded from federal grant funds, indirect cost fees charged to other NDOW divisions, and unrestricted license and fee revenues transferred from the Wildlife Fund (Sportsmen Revenue). The Governor's recommended budget totals \$8.2 million over the 2015-17 biennium, a 13.4 percent increase when compared to the \$7.3 million approved for the 2013-15 biennium.

Major Closing Issues

1. Two New Management Analyst Positions
2. Flexible Training

Discussion of Major Closing Issues

1. Two New Management Analyst Positions (E-227; WILDLIFE-12): The Governor recommends cost allocation transfers of \$49,779 in FY 2016 and \$129,551 in FY 2017 for two Management Analyst

positions and associated costs for the Fiscal Services Section to address budget account monitoring, contract management, accounts payable, accounts receivable, cost accounting, and subgrants. One position is recommended to begin in October 2015 (FY 2016), while the second position would start in July 2016 (FY 2017). Funding for these positions would come from cost allocation contributions from the other budgets within NDOW based on the agency's cost allocation plan. The Operations budget (BA 4461) contains a companion Decision Unit E-227 that provides only the operating costs for these two positions.

The agency indicates it has recently received two reviews by the Division of Internal Audits - one in April 2013 and the other in June 2014, which noted deficiencies in the areas of contracting and record keeping. In addition, the agency indicates the department's recent reorganization, which was approved by the 2011 Legislature, has increased the demands on existing staff to maintain the accounting system. For example, the agency states that two existing budget analyst positions, which are intended to assist administrators in forecasting, tracking, and the preparation of budgets, have been utilized to provide accounting and fiscal assistance to meet demand. The agency reports the lack of staffing has resulted in less customer service, increases in accounting errors, lapses in contracts, and the inability to adequately pursue possibilities for securing additional federal funds. The department indicates the two positions would address staffing needs in specific areas of administrative support where the department continues to struggle to provide services, in addition to ensuring compliance with administrative rules and regulations. The specific administrative areas these positions would address include:

- Contract Management - The agency indicates the June 2014 review by the Division of Internal Audits identified deficiencies in the recording keeping and processing of the over 350 contracts within the department that require constant management. The current position that manages contracts is the Administrative Service Officer I, who is also responsible for the management and oversight of accounts payable, all earned revenue, fixed assets, county/intrastate transfers, revenue collection, purchasing, property and travel functions. The agency indicates it has experienced difficulty in meeting the contract workload demand with existing NDOW staff due to the large number of other assigned department-wide tasks. This request would provide a Management Analyst to serve as Contract Manager for NDOW.
- Accounting - The department indicates the budget reorganization enacted in FY 2012 has achieved the intended goal of enhanced transparency; however, the reorganization also resulted in the unintended consequence of increasing the complexity of the department's accounting processes, with more budgets, transactions, inter-budgetary transfers, and increased obligations for revenue tracking. The department states the additional volume of these accounting tasks exceeds the current administrative staff's capacity.
- Cost Accounting, Budget Account Monitoring and Subgrants - The agency indicates its cost accounting system and indirect cost rate formulation are complex and time-consuming duties due to the number and variety of the department's grants. The department indicates it currently has 84 active federal grants, 47 active subgrants, and utilizes 697 separate cost codes. The agency indicates it has struggled to keep current on these duties and has fallen behind every year in determining indirect cost rates. Additionally, the current staff has had difficulty keeping up with the administration and management of subgrants, and the division has needed to request the assistance of the agency's budget analysts to help with the workload, thereby preventing them from providing the internal fiscal services to the division as intended. This request would create a Management Analyst position to develop and maintain the cost accounting system, indirect cost rates, and subgrant fiscal administration.

The agency has indicated to staff that the first Management Analyst recommended to begin in October 2015 would be assigned primarily to Contract Management activities, in addition to providing a wide variety of accounting-related support. The second Management Analyst, which would begin in July 2016, would focus primarily on cost accounting, indirect cost rates, and subgrant fiscal administration, in addition to providing general accounting support.

In response to the Subcommittee's questions during the March 19, 2015, budget hearing, the agency has clarified that the Fiscal Services Section (FSS) of the Director's Office is comprised of 11 positions, which includes 5 professional level positions and 6 clerical positions, and that the FSS is responsible for all fiscal management of the department, with no other fiscal positions in the agency. In addition, NDOW testified that the staffing level in the FSS has remained unchanged since approximately FY 2010, noting that the workload has significantly increased with the agency reorganization in FY 2012. Relative to FY 2010, the agency reports the following increases in workload:

NDOW Workload Data FY 2010 Compared to FY 2014			
Workload Measure	FY 2010 Level	FY 2014 Level	Percent Difference
Work Programs Processed	49	107	118%
Cost Accounting Codes Used	413	697	69%
Federal Grants Managed	79	84	6%
Active Contracts Managed*	185	350	89%
Sub-Grants Managed**	0	47	n/a
Lines of Coding Processed	119,838	153,586	28%
Budget Accounts Managed	7	13	86%
Total Expenditure Categories	66	144	118%

* FY 2010 figure is an estimate

** Sub-grant process initiated in FY 2013 to grant awards to universities, local governments, and Non-Governmental Organizations

Subsequent to the budget hearing, the agency has indicated that halfway through FY 2014 the FSS also became responsible for credit card transaction processing for its consumer websites and the Application Hunt System. These transactions were previously handled by the contractor for the websites; however, after consulting with the State Treasurer, it was determined credit card payments should be deposited directly into the agency's bank account and not the contractor's, thereby requiring the agency to process credit card transactions. In response to Subcommittee questions regarding how the agency determined that Management Analyst positions would best fill the agency's needs, NDOW responded that the duties of the recommended new positions would be more analytical than document processing, and therefore it seemed appropriate to seek a professional level position. Further, the agency states that in consultation with its management team and its Personnel Officer, Management Analysts appeared best suited to the roles anticipated by NDOW. Staff notes that the agency has submitted position request forms for these two positions, which, if this recommendation is approved, would be submitted to the Division of Human Resources Management, who would have final determination on the classification of the positions.

Does the Subcommittee wish to approve the Governor's recommendation for two new Management Analyst positions for the Department of Wildlife, one to begin in FY 2016 and the other in FY 2017, funded with cost allocation transfers from the department's other budgets?

2. Flexible Training (E-228; WILDLIFE-12): The Governor recommends Sportsmen Revenue of \$25,000 in each year of the 2015-17 biennium to enhance department training opportunities for staff. The agency indicates essentially all of the annual training costs of \$17,379 recommended in the base budget are earmarked to pay costs associated with the agency's annual conferences for supervisors and staff. The department indicates this recommendation would provide training, beyond annual conferences, that would be beneficial to the department on an as needed basis. During the budget hearing, the Subcommittee noted that The Executive Budget did not provide information detailing the specific training that would be provided, instead indicating the agency would like to have the flexibility to determine training needs of the department on an ongoing basis, and then select the training and associated staff that would attend. In response to the Subcommittee's request for information regarding the specific training the department anticipates, the agency has provided the following list of training programs it would like its employees to attend:

- National Conservation Leadership Institute - \$6,500 per person: A nine-month leadership development program offered to professionals from natural resource related organizations, which includes highly interactive instruction by nationally recognized experts in leadership development (from Harvard's Kennedy School of Government) interwoven with case history analysis and personal interaction with nationally recognized conservation leaders from the government, non-profit and corporate natural resource conservation community. This program could be attended by administrators, staff level biologists, and regional supervisors. The agency indicated it would like to send one or two staff per fiscal year to this program.
- Association of Fish and Wildlife Agencies (AFWA) Management Assistant Team (MAT) - \$90 per course: A consulting and training resource for all state fish and wildlife agencies that offers a variety of workshops and online training courses on agency administration in a context specific to fish and wildlife agencies. Online courses are typically four to six weeks in length and most cost \$90. These courses would have wide applicability to NDOW personnel, particularly supervisors and managers. The agency indicates it would like to provide 20 courses per year.
- Conservation Leaders for Tomorrow - \$3,000 per person: Designed for students and professional leaders within the natural resources sciences, this program focuses on hunting awareness and conservation education among academic programs and government agencies. The program consists of four-day workshops that blend interactive classroom discussion with field experiences. The agency reports that the Western Association of Fish and Wildlife Agencies (WAFWA) is highly supportive of this program as a means to address the growing number of conservation professionals who lack a traditional hunting background in order to give them insight into that tradition, and the critical role of hunting in the North American Model of Wildlife Management. The agency indicates it would like to enter into an agreement to send two staff per year to this training, at a cost of \$3,000 per person.
- University of Nevada-Reno, Continuing and Professional Studies - Average cost of \$355 per course: This program provides a wide array of courses designed to enhance professional skills that are not provided by the Division of Human Resources Management. Examples of some of the courses include: Advanced Excel, Advanced Word, Digital Analytics: Measuring Your Online Efforts, Advanced Grant Writing, Bringing Out the Best of a Multicultural Workforce, Writing Effective Email Campaigns, Mobile Marketing, and Digital Marketing Strategies: Maximizing Your Visibility. These courses would be offered to a wide variety of NDOW personnel, depending on the relevance of their duties on a case-by-case basis. The agency indicates it would like to provide 20 courses per year.

- **Safety Training - various costs:** The agency indicates it would like to provide at least one safety oriented training course per year, with a large number of employees attending, from a variety of training courses that exist. Training would result in enhanced safety for an agency that operates aircraft and heavy equipment in a farm (Wildlife Management Area) and industrial (fish hatchery) setting. In particular, the agency indicates aviation safety would have wide applicability throughout the department because most biologists fly in agency aircraft and those of contractors in order to conduct wildlife surveys and other wildlife management activities. As an example, the agency indicates a course entitled “Fly in the Wire and Obstruction Environment,” which would be a one-day training course at an NDOW office for fifty employees, was quoted at \$7,450. The agency indicates this course was conducted several years ago; however, with significant turnover in staff, there is a need to provide this training again.

In response to Subcommittee questions about how the department would identify what types of training should be offered and who would attend, the agency indicates the NDOW Leadership Team, which consists of the Director’s Office and agency administrators, with assistance from the department’s Personnel Officer, would develop an annual training plan for expenditure of the recommended training funds. The goal would be to select training opportunities and attendees based on the greatest impact to the department in terms of management and leadership as well as technical skills development, while providing as much equity among personnel as possible. Participants would be nominated by their supervisors and agency administrators, with retention and skills development being the primary consideration in selecting participants. Final approval for all training would be made by the Director’s Office.

With respect to the Subcommittee question about how the amount of \$25,000 annually was determined, the agency responded that with 248.26 full time equivalent positions, the recommendation would provide approximately \$100 per FTE in order to provide a handful of participants more lengthy and immersive training, while allowing for a few dozen day or online courses per year. The agency further stated that the recommended training would demonstrate an investment in its workforce, which has seen substantial turnover and advancement into leadership positions in other agencies, resulting in significant loss of skills and institutional knowledge. In response to the Subcommittee’s question about how the effectiveness of the training would be impacted if the recommendation were reduced by half, to \$12,500 per year, the agency responded that such a reduction would reduce the effectiveness of the recommended training program by half, thereby hindering the agency’s ability to train a young and relatively inexperienced workforce. NDOW reports that 49 percent of its workforce has less than 10 years of service with the agency.

If the Subcommittee wishes to approve the expenditure of Sportsmen Revenue to provide enhanced training opportunities that would be determined annually by the agency, it could consider the following options:

- a) **Approve the Governor’s recommendation for \$25,000 in each year of the biennium; or**
- b) **Approve half of the Governor’s recommendation, which would provide \$12,500 in each year of the biennium.**

Other Closing Items

Cost Allocation (E-800; WILDLIFE-13): The Executive Budget recommends transfers from other department budgets totaling \$66,014 in FY 2016 and \$65,511 in FY 2017 to adjust departmental cost allocations. **This recommendation appears reasonable.**

Does the Subcommittee wish to approve the Other Closing Item as recommended by the Governor? Staff requests authority to make technical adjustments to this budget as necessary.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W02 - WORKING VERSION 2

Title: WILDLIFE - OPERATIONS
 Account: 101 - 4461

Budget Page: WILDLIFE-15, Volume III

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
FEDERAL FUND	1,748,683	1,493,393	(14.60)	1,240,180	(16.96)	1,156,081	(6.78)
INTERAGENCY TRANSFER	6,192,939	5,345,241	(13.69)	7,074,770	32.36	6,678,901	(5.60)
OTHER FUND	27,570	24,320	(11.79)	24,359	0.16	24,372	0.05
Total Revenues	7,969,192	6,862,954	(13.88)	8,339,309	21.51	7,859,354	(5.76)
Total FTE		36.26		34.26		34.26	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
E226	00	4760	Additional Sportsmen Revenue for larger Headquarters office lease negotiated with B and G per Amendment A150734461	221,526	207,188
E850	00	3503	Reduce federal grant funds for advanced planning to match estimates by SPWD	(33,474)	
E850	00	4760	Reduce Sportsmen Revenue for advanced planning to match estimates by SPWD	(65,630)	
Sub-total				122,422	207,188
Line Item Changes to Revenues				122,422	207,188

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
E226	10	7000	Adjustment to add Equipment for Increase in Office square footage per Amendment A150734461	63,451	
E226	10	7000	Increase Office square footage from 18,620 to 26,564 at cost of \$1.70 per sq. ft. effective November 2015 per Amendment A150734461	62,575	208,748
E226	10	8000	Adjustment to add Equipment for Increase in Office square footage per Amendment A150734461	89,825	
E226	26	7000	Adjustment to add Equipment for Increase in Office square footage per Amendment A150734461	29,187	(1,560)
E226	26	8000	Adjustment to add Equipment for Increase in Office square footage per Amendment A150734461	(23,512)	
E850	14	9000	Reduce costs for advanced planning to match estimates by SPWD	(99,104)	
Sub-total				122,422	207,188
Line Item Changes to Expenditures				122,422	207,188

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

The Operations Division is responsible for the business process and support functions of the Nevada Department of Wildlife (NDOW) and the management of the customer service programs. These programs include licensing; boat titling and registration; application hunts, special licenses and permits; land acquisition services; engineering and support for statewide building maintenance, computer and network services; and aviation operations.

This budget is primarily funded with federal funds, indirect cost fees charged to NDOW operating budgets, and license and fee revenues transferred from the Wildlife Fund. The Governor's recommended budget totals \$16.2 million over the 2015-17 biennium, a 39.5 percent increase when compared to \$11.6 million approved for the 2013-15 biennium. A significant portion of the increase is attributable to the transfer of the boating access program and the boat registration and titling program from the Law Enforcement budget, which was approved by the Interim Finance Committee during the current biennium.

Major Closing Issues

1. Create Mobile Versions of NDOW Websites
2. Co-Location of Headquarters Staff
3. Advanced Planning for Two New Facilities
4. Transfer Air Operations to Game Management

Discussion of Major Closing Issues

1. Create Mobile Versions of NDOW Websites (E-225, WILDLIFE-17): The Governor recommends the transfer of Application Fee Revenue from the Wildlife Fund of \$105,040 in FY 2016 for contracts to develop mobile-friendly versions of the Application Hunt website (HuntNevada.com) and the Nevada Wildlife Data System (NWDS) consumer website (ndowlicensing.com). The Application Hunt website provides users with the ability to apply for Nevada hunting tags, bonus points, guided hunts, etc., while the NWDS website provides a means for consumers to purchase hunting and fishing licenses and stamps, register/renew boating registrations and other permits, sign up for mandated Hunter Education courses and other classes, and retrieve licenses and certificates. These two websites are provided on a contract basis by the same contractor responsible for programming, implementation, administration, and processing of the state's game hunting tag system (currently Systems Consultants in Fallon, NV). Staff notes that the department's primary informational website (ndow.org), which provides a wide variety of wildlife-related information and includes links to the Application Hunt system and the licensing system, is maintained by NDOW IT staff, and would undergo similar mobile-friendly modifications performed by in-house staff.

The department testified that the public increasingly accesses its services via the Internet, which minimizes the need for the public to visit or call NDOW offices. The availability of these services online helps keep operational costs down and provides efficient services to the public. However, as currently configured, the department indicated its websites are not formatted for optimal viewing when accessed through a mobile device such as a smart phone or tablet. This recommendation would provide resources to convert the department's existing Application Hunt and NWDS consumer websites to a more mobile-friendly interface. The department indicates these mobile interfaces would enhance customer service and drive more of the public to online resources, saving money in the long run. During the March 19, 2015, budget hearing, the agency testified that it has had numerous requests for mobile-friendly websites. The agency also clarified that it does not have expectations that a mobile-friendly consumer website will generate new customers; however, the reasoning behind this effort is to stay relevant and reachable to its customers on devices that are increasingly used by the public to access the Internet.

In response to Subcommittee questions during the March 19, 2015, budget hearing regarding what other states have mobile-friendly websites, the agency indicates Arizona, Montana, New Mexico, Oregon, and Wyoming currently have mobile-friendly versions of their websites; however, virtually every western state is in various stages of planning or implementing mobile-friendly apps and enhanced methods of reaching customers on mobile devices. The agency indicates this issue has increased in urgency with the announcement by Google that it will be changing its algorithms to favor mobile-friendly sites in its search results from mobile devices. Accordingly, without mobile-friendly versions of its websites, customers would find it more difficult to find NDOW in Google search results.

Does the Subcommittee wish to approve the Governor's recommendation to provide Application Fee revenue of \$105,040 in FY 2016 for contracts to develop mobile-friendly versions of the department's websites?

2. Co-Location of Headquarters Staff (E-226, WILDLIFE-18): The Governor recommends Sportsmen Revenue totaling \$301,138 in FY 2016 and \$231,301 in FY 2017 to move Headquarters staff from their current locations in the Valley Road facility in Reno (14,720 square feet) and in leased space on Kietzke Lane in Reno (7,575 square feet), to a common location in yet-to-be-determined leased office space. Currently, the Valley Road facility houses both the department's Western Regional Office staff as well as a portion of the department's Headquarters staff. The department indicates the growth of Headquarters personnel has filled the existing facility at Valley Road to capacity, and due to the lack of space, it elected to locate 40 administrative and fiscal staff at an additional location across town on Kietzke Lane. The agency reports that not having Headquarters staff housed in one location has created challenges in coordination and cooperation among staff members.

The department indicates moving Headquarters staff to one leased location would bring together all of the personnel who must work together on a daily basis in adequate space and in a contemporary office environment. This would also decrease demands on the Valley Road facility, freeing up parking and making available additional storage space for the Western Regional Office. It would also allow the conversion of some offices in the Valley Road facility into classrooms and meeting rooms to better meet the needs of the Western Regional Office. Further, it would allow the designation of work space for personnel visiting from other regions as well as for seasonal personnel, which are often University of Nevada-Reno students. Staff notes that the department currently does not pay rent on the Valley Road facility because it is state owned, and establishing non-state owned building rent in this budget would increase future base budget annual lease costs.

In response to questions from the Subcommittee about how the Valley Road facility would be utilized once Headquarters staff moved out, the agency has clarified that the Valley Road facility is 14,720 square feet, and there would be 28 full-time positions, and at least five part-time seasonal positions, remaining at the facility after Headquarters staff vacated the building. In addition, the agency indicates a break room would be provided in the building (the facility currently does not have a break room), as well as space to accommodate visiting personnel in need of temporary work space while in Reno. The agency reports that the building has a small loading dock and what used to be a mail room that is currently used to house three positions, and this recommendation would allow this space to be used for publication storage and distribution, as well as for shipping needs for the Western Region and NDOW Headquarters. The department also indicates the building would offer space for the storage of equipment and supplies that are currently stored in sheds outside and at the State Surplus warehouse in Reno. Further, this recommendation would also allow the agency to return use of the large vault in the office, which is currently used to house a large copy machine and provide storage, to secure valuable items such as weapons, evidence lockers, and other high-value items.

During the March 19, 2015, budget hearing, the agency testified that it had located a building that could accommodate Headquarters staff; however, the department indicated the identified building is larger than the building size envisioned when the budget was constructed, and therefore would require additional rent costs and funding for additional furnishings and equipment. At the time of the budget hearing, the agency did not have specifics about the additional rent and furnishing costs for the identified building and indicated it would provide this information to staff and that an associated budget amendment would likely follow.

Accordingly, the Department of Administration has submitted Budget Amendment A150734461, which recommends additional Sportsmen Revenue of \$221,526 in FY 2016 and \$207,188 in FY 2017 for a building that is 7,944 square feet larger, and 20 cents per square foot more in cost, than the proposed

space originally recommended in The Executive Budget. The agency indicates it has been working in cooperation with the State Public Works Division and is in the final stages of lease negotiations for a ten-year lease for 26,564 square feet of office space at 6980 Sierra Center Parkway in south Reno. The lease would include the last eight months in FY 2016, which would require Headquarters staff to remain in the Valley Road Office and the Kietzke Lane Office for the first four months in FY 2016.

The department has provided a Division of Buildings and Grounds Space Justification Spreadsheet indicating the proposed building would house up to 93 employees and including space for break rooms, restrooms, storage rooms, conference rooms, a mail room, a server room, a custodial closet, and two lobby areas, a building of 23,039 square feet would be justified. The agency indicates the recommended building is 2,959 square feet larger than the justified space due to current space configurations of the existing building and the fact that the building has lengthy and numerous hallways. The department indicates the property owner has agreed to perform numerous tenant improvements needed for Headquarters staff, including some new construction. The agency notes that it currently has 80 Headquarters employees that would move into the building, and the building would allow for the addition of 13 employees that it anticipates could be added to Headquarters in the future.

As amended, the Governor recommends Sportsmen Revenue totaling \$522,664 in FY 2016 and \$438,489 in FY 2017 to move Headquarters staff from their current locations in the Valley Road facility in Reno and in leased space at Kietzke Lane, to a common location at Sierra Corporate Center in south Reno. This amended recommendation includes building rent of \$289,126 in FY 2016 and \$433,690 in FY 2017, and one-time FY 2016 costs of \$230,414, which include \$42,500 for telephone and data wiring (this was erroneously estimated at \$8,049 in the original budget submission), \$89,825 for new conference room furnishings and modular furniture for the public entrance/reception area and areas where current furniture is not suitable for the floor plan design, \$30,000 for moving existing phone handsets and for new communications equipment, \$25,000 for an electronic gate to be installed in the rear of the building to provide secured parking for NDOW vehicles, \$19,447 for moving costs, \$13,387 for IT equipment, \$6,255 in new data lines, and \$4,000 for office door plates. The agency indicates the cost estimates for these items were determined in consultation with appropriate vendors. With the amendment, the ongoing rent cost for the new location would be \$541,906 annually. It should be noted that in Decision Unit E-850 discussed below, the Governor also recommends advanced planning to eventually relocate all Headquarters staff to a new permanent facility in Northern Nevada.

Staff notes that The Executive Budget recommends Sportsmen Revenue to fund the costs associated with leasing this new building for Headquarters staff in the 2015-17 biennium; however, the Headquarters lease costs would be allocated to the department's other budget accounts in future biennia, with approximately half of the costs being charged to federal grants and the other half charged to Sportsmen Revenue. The agency indicates that the indirect cost rates it charges other budgets, which would include the costs for the new Headquarters office, are approved annually by the U.S. Fish and Wildlife Service (USFWS), but are based on costs from a base year two years prior. Accordingly, the costs for the new building would not be able to be charged to the department's other budgets until FY 2018.

Does the Subcommittee wish to approve the Governor's amended recommendation to provide Sportsmen Revenue totaling \$522,664 in FY 2016 and \$438,489 in FY 2017 for rent and one-time costs to move Headquarters staff from their current locations in the Valley Road facility in Reno and in leased space on Kietzke Lane in Reno, to a common location at Sierra Corporate Center in south Reno?

3. Advanced Planning for Two New Facilities (E-850, WILDLIFE-20): The Governor recommends transfers of Sportsmen Revenue from the Wildlife Fund of \$206,579 and federal Wildlife Restoration grant funds of \$105,366 in FY 2016 for advanced planning and programming efforts for two projects:

1) construction of a new state-owned facility for Headquarters staff in Northern Nevada; and
2) construction of a new operations, maintenance, and equipment storage facility at the Mason Valley Wildlife Management Area in Yerington. The programming and planning would be provided by the State Public Works Division (SPWD). The Subcommittee should note that staff has made technical adjustments to this decision unit to align advanced planning costs with the estimates provided by the SPWD. With the adjustments, transfers of Sportsmen Revenue would be reduced by \$65,630 to a total of \$140,949, and federal Wildlife Restoration grants funds would be reduced by \$33,474 to a total of \$71,892. The total cost for advanced planning would be \$212,841, with \$142,000 earmarked for Headquarters and \$70,841 for the Mason Valley Wildlife Management Area. These adjustments are reflected in this closing document.

- Planning for New Headquarters: In addition to the recommendation to consolidate current Headquarters staff into new leased space in Northern Nevada for the reasons discussed in Decision Unit E-226 above, The Executive Budget recommends \$142,000 for advanced planning for the programming, site selection, and conceptual design for a new state-owned facility to house NDOW's Headquarters in the future. Accordingly, the Governor's recommendation to house NDOW's Headquarters in leased space would be a temporary measure, with the eventual move of the department's headquarters to a new state-owned facility.

In follow up to questions asked by the Subcommittee, the agency clarified that its goal in the 2015-17 biennium with regard to advanced planning and programming would be to consider opportunities to find land suitable for both an NDOW Headquarters and a Western Regional Office, which would likely consist of two separate locations. The department indicates it is seeking a ten-year lease for the recommended Headquarters Office as discussed in Decision Unit E-226 above because ten years seems to be an appropriate timeline for completion of construction of a new facility due to the challenges facing CIP funding for new construction in prior and future biennia. The agency further indicates if it should find opportunities for a federal land lease, it would need to complete preliminary design documents to submit to the federal agency for approval. In response to questions from staff regarding whether the recommended expenditures for advanced planning for the Headquarters Office should be reduced in light of the recommended new ten-year lease for non-state owned Headquarters Office space, the agency stated it requests this recommendation not be reduced to ensure the project can be completed. The agency stated that any funds remaining from the recommendation would be returned to reserves in the Wildlife Fund.

Does the Subcommittee wish to approve the Governor's recommendation to approve \$142,000 for advanced planning and programming efforts for the construction of a new state-owned facility for Headquarters staff in Northern Nevada?

- Planning for Mason Valley Wildlife Management Area: The Executive Budget recommends \$70,841 for advanced planning and programming to provide a new operations and maintenance building, including a covered canopy for equipment storage, at the Mason Valley Wildlife Management Area (WMA) in Yerington. This programming effort would evaluate the best option of either adding on to the existing hatchery office space located within the WMA, or constructing a new building for the WMA staff. The department testified that the existing facilities are old ranch buildings that are in a significant state of disrepair, and that recent SPWD Facility Condition Analysis reports have called for the demolition of the buildings currently used by the WMA, because they lack proper ventilation, adequate mechanical and electrical systems, insulation, overhead clearances, fire sprinkler systems, and other safety features that are required by building codes for work spaces of this type. The agency further indicated that the equipment maintenance building is so small that the repair of heavy equipment has to be conducted outside. In follow-up questions from staff, the department indicates that if this recommendation is approved, the project will go forward as quickly as possible; however, given the many variables that exist with this project, the

department requests no reduction in funding to ensure adequate funds will be available to complete the project.

Does the Subcommittee wish to approve the Governor's recommendation to provide \$70,841 for advanced planning and programming efforts for construction of a new operations, maintenance, and equipment storage facility at the Mason Valley Wildlife Management Area in Yerington?

4. Transfer Air Operations to Game Management (E-900, WILDLIFE-20): The Governor recommends the transfer of the Air Operations unit, including two pilots and biennial funding of \$795,362 in Sportsmen Revenue and \$916,104 in federal Wildlife Restoration grant funds, from the Operations budget to the Game Management budget. The department's aviation program (two pilots, two helicopters and a fixed-wing airplane) is currently aligned under the department's Operations Division, with oversight provided by the Operations Division Administrator. The department reports that NDOW pilots fly missions that support three divisions, including 21 field biologists, with a variety of needs including inventories and surveys of sage grouse, ungulate, waterfowl, shore bird and raptors, as well as black bear and water development projects.

During the March 19, 2015, budget hearing, the agency testified that the aviation program was housed in the department's Game Division for many years prior to its moving to the Operations Division in 2005. With this recommendation, The Executive Budget transitions the aviation program back under the Game Division. The department stated this realignment provides a more streamlined management oversight given the current structure of the department's functions and budgets, as the majority of flights are in support of the Game Division. In addition, the agency indicates the Game Management Division administers aviation contracts used for other types of surveys as well as supplemental flights when the agency's own aircraft are unavailable. Further, the department indicates the transfer of the aviation functions to the Game Division would also allow the Operations Division Administrator to spend more time with other programs in the division. It should be noted that in the Game Management budget (Budget 4464, E-500, WILDLIFE-39), the Governor recommends replacing Sportsmen Revenues of \$795,362 over the biennium with federal Wildlife Restoration grant funds.

In response to Subcommittee questions about oversight of the two pilots and Air Operations Unit in the Game Management Division, the agency indicates the Chief Pilot supervises the Pilot III, and the Chief Pilot would report directly to the Administrator of Game Management Division. This arrangement would parallel the existing chain of command of the Chief Pilot reporting to the Administrator of the Operations Division. The agency clarified that most of the technical and management issues specific to aviation are the primary responsibility of the Chief Pilot, and most of the supervision provided by the Administrator would be compliance with state rules and human resource issues. The agency stated that the recommended transfer of the Air Operations Unit would not place an undue burden on the Game Management Administrator nor materially impact current duties.

Does the Subcommittee wish to approve the Governor's recommendation to transfer the Air Operations Unit from the Operations budget to the Game Management budget?

Other Closing Items

1. Operating Costs for Two New Positions Recommended in Director's Office Budget (E-227, WILDLIFE-18): As mentioned in the highlight for the Director's Office budget, the Governor recommends Sportsmen Revenue of \$3,763 in FY 2016 and \$4,745 in FY 2017 for the operating and information technology costs for the two new Management Analyst positions recommended for the Director's Office budget. Staff will make any necessary technical adjustments to this decision unit based on the Subcommittee's closing actions in the Director's Office budget. **This recommendation appears reasonable.**

2. Replacement Equipment (E-712, WILDLIFE-19): The Executive Budget recommends Sportsmen Revenue of \$130,201 in FY 2016 and \$99,659 in FY 2017 for replacement computer hardware and software, including 41 laptop PCs with docking stations, 25 desktop PCs, 5 file print servers, 2 desktop CADD workstations, 2 web filters, 2 Ethernet switches, and 68 copies of Microsoft Office. **This recommendation appears reasonable.**
3. Cost Allocation Adjustments (E-800, WILDLIFE-19, 20): The Governor recommends Sportsmen Revenue totaling \$113,814 in FY 2016 and \$129,323 in FY 2017 to adjust departmental cost allocations. **This recommendation appears reasonable.**

Does the Subcommittee wish to approve all Other Closing Items as recommended by the Governor? Staff requests authority to make technical adjustments to this budget as necessary.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W01 - GOVERNOR RECOMMENDS

Title: WILDLIFE - CONSERVATION EDUCATION
Account: 101 - 4462

Budget Page: WILDLIFE-23, Volume III

Revenues	2013-14 Actual	2014-15 WP	%	2015-16 GOV REC	%	2016-17 GOV REC	%
FEDERAL FUND	1,149,780	1,295,812	12.70	1,089,555	(15.92)	1,072,309	(1.58)
GENERAL FUND				96,089		96,089	
INTERAGENCY TRANSFER	979,777	1,218,856	24.40	1,295,901	6.32	1,270,729	(1.94)
OTHER FUND		28,406		19,441	(31.56)	18,732	(3.65)
Total Revenues	2,129,557	2,543,074	19.42	2,500,986	(1.66)	2,457,859	(1.72)
Total FTE		18.00		18.00		18.00	

Adjustments to Revenue

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

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
				Gov Rec	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

Conservation Education promotes citizen interest, understanding and involvement in the management of the state's wildlife resources by educating the public about the value of wildlife in Nevada and promoting ethical use of the state's wildlife resources through hunter and angler education programs, wildlife education, and marketing programs. The division informs the public through television, radio, Internet and print media, and provides access to the Nevada Department of Wildlife's (NDOW) programs through the Volunteer Program. Since this account's inception with the NDOW fiscal reorganization approved by the 2011 Legislature, this account has been funded by federal funds, indirect fees charged to NDOW operating accounts, restricted and unrestricted state license and fee revenues transferred from the Wildlife Fund, and license plate fees. The Governor recommends the addition of General Fund appropriations in this budget for expansion of Urban Wildlife Management efforts for the 2015-17 biennium.

Major Closing Issues

1. General Funds for Urban Wildlife Management
2. Videography Program
3. Spanish Language Translation and Outreach

Discussion of Major Closing Issues

1. General Funds for Urban Wildlife Management (E-350, WILDLIFE-26): The Governor recommends General Fund appropriations totaling \$450,000 over the 2015-17 biennium to address urban wildlife management issues focused on three areas: 1) education and outreach; 2) staff time spent on urban wildlife issues; and 3) equipment and supplies. Accordingly, The Executive Budget distributes the recommended funding among four NDOW budgets; Conservation Education, Law Enforcement, Game Management, and Diversity. The Governor’s department-wide recommendations for urban wildlife management are discussed in this closing document for the Conservation Education budget because it is the first account heard by the Subcommittee containing associated General Fund appropriations.

The following table summarizes how The Executive Budget proposes to allocate the \$450,000 in General Fund appropriations recommended by the Governor to address urban wildlife management in four of the department’s budgets:

Urban Wildlife Management Recommendations for NDOW					
Budget	Reference	Description of Recommendation	FY 2016	FY 2017	Total
Conservation Education (BA 4462)	E-350 WILDLIFE-26	Two new nine-month seasonal Conservation Aid positions to handle nuisance animal control activities - one in Eastern Nevada and one in Western Nevada. \$67,370 in each year of the biennium. Digital highway signboard, television public service announcements, and direct mailing focusing on urban bear education in Northern Nevada. Television and radio public service announcements focusing on urban coyote education in Southern Nevada. \$27,999 in each year of the biennium Two cell phones for seasonal positions. \$720 in each year of the biennium.	\$96,089	\$96,089	\$192,178
Law Enforcement (BA 4463)	E-350 WILDLIFE-32	Fund existing personnel costs related to nuisance animal control activities in the Law Enforcement budget with General Funds instead of Sportsmen Revenue. \$52,796 in FY 2016 and \$52,786 in FY 2017. Purchase of a Karelian bear dog puppy - \$4,500 in FY 2016. <u>Agency indicates the puppy could be purchased with gift funds, and therefore this cost can be eliminated from the budget.</u> Costs associated with the care and insurance of the Karelian bear dog puppy, one hand-held reader to scan microchip implants in bears, and one dart gun to tranquilize nuisance wildlife. \$4,583 in FY 2016 and \$1,226 in FY 2017.	\$61,879	\$54,012	\$115,891

Game Management (BA 4464)	E-350 WILDLIFE-39	<p>Fund existing personnel costs related to nuisance animal control activities in the Game Management budget with General Funds instead of Sportsmen Revenue. \$33,336 in each year of the biennium.</p> <p>One new nine-month seasonal Biologist position in Carson City to handle nuisance animal control activities for the Game Division. \$33,685 in each year of the biennium. This position would field calls and assist the existing biologist in the field for bear-related activities.</p> <p>Costs associated with the care and insurance of the existing Karelian bear dog, one hand-held reader to scan microchip implants in bears, and one dart gun to tranquilize nuisance wildlife. \$4,023 in FY 2016 and \$1,226 in FY 2017.</p> <p>One cell phone for the new seasonal position. \$360 in each year of the biennium.</p>	\$71,404	\$68,607	\$140,011
Diversity (BA 4466)	E-350 WILDLIFE-54	Fund existing personnel costs related to nuisance animal control activities in the Diversity budget with General Funds instead of Sportsmen Revenue. \$960 in each year of the biennium.	\$960	\$960	\$1,920
Total			\$230,332	\$219,668	\$450,000

The department reports that nuisance wildlife is a challenge for all urbanized areas in Nevada, with many of the state's citizens and visitors living and recreating in areas where urban lands interface with wild lands. Expanding wildlife populations, economic and population growth, and environmental factors such as drought, have all combined to increase conflicts between wildlife and the public. Large predators such as bears, mountain lions, and coyotes have become threats to public safety. In particular, bear conflicts in Northwestern Nevada and coyote conflicts in Southern Nevada continue to be of high concern to the general public. The department indicates it currently responds to any threat to public safety or heightened citizen concern, and that Game Management, Law Enforcement, and Wildlife Diversity Division personnel respond to many calls that cannot be handled by the counter staff at NDOW regional offices.

The department indicates that it historically received General Fund appropriations to deal with issues of broad public concern, such as urban wildlife management; however, during the recent economic downturn, NDOW's funding was substantially reduced, eliminating all General Fund appropriations associated with urban wildlife activities. The agency further indicates that federal U.S. Fish and Wildlife Service grants cannot be used for nuisance wildlife issues because the federal government's stance is that the issues are caused by urban encroachment into wild lands, and therefore are deemed the responsibility of the general public as an urban growth issue. As a result, with the removal of General Fund support for urban wildlife issues, the department utilized Sportsmen Revenue to fund these costs. Staff notes that in order to receive federal Wildlife Restoration grants, state matching funds are required in a three-to-one ratio (three dollars of federal funds for one dollar of state funds), with Sportsmen Revenue providing the state match. Accordingly, for every dollar of Sportsmen Revenue the department spends on urban wildlife issues, it loses the opportunity to receive three dollars in federal Wildlife grant funds. The department indicates that there have been recent increases in the amount of federal Wildlife grant funds available, and that having sufficient Sportsmen Revenue to match these funds could become an issue if these funds continue to be diverted to urban wildlife activities.

In order to address the use of Sportsmen Revenue for expenditures that do not qualify for federal matching funds, and to expand urban wildlife management activities, the Governor recommends General Fund appropriations to replace Sportsmen Revenue currently utilized to fund the time that existing staff spends on urban wildlife issues, as well as to provide funding for new urban wildlife management activities. Accordingly, The Executive Budget recommends General Fund appropriations totaling \$174,174 to replace Sportsmen Revenue currently used to support existing urban wildlife activities in the Law Enforcement, Game Management, and Diversity budgets combined, as well as \$275,826 to provide funding for enhancements to urban wildlife management activities in the Conservation Education, Law Enforcement, and Game Management budgets.

During the budget hearing, the Subcommittee questioned why General Fund support for urban wildlife management is recommended to be spread across four budgets instead of concentrated in one budget. In response, the agency indicated each of the four budgets is responsible for distinctly different aspects of overall wildlife management, with each one being involved in its representative part of urban wildlife activities. Accordingly, commensurate funding is recommended for each associated budget. In addition, a portion of the recommended funding is designated to replace Sportsmen Revenue that is currently used to fund existing urban wildlife management activities in the associated budgets.

In the Conservation Education budget, the Governor's recommendation includes General Fund appropriations of \$96,089 in each year of the 2015-17 biennium for urban wildlife activities, including two seasonal positions and two new proactive advertising and public relations campaigns, one for bears and one for coyotes. The seasonal positions would be located in Eastern Nevada and Western Nevada, and would handle nuisance animal control activities in those areas. The advertising and public relations campaigns would include the production of 20-minute educational videos and various public service announcements, as well as the use of billboards and mailings, to educate the public on what they can do to minimize urban wildlife conflicts and how to respond when they occur. At the March 19, 2015, budget hearing, the department asserted its belief that education is a key element in reducing human wildlife conflicts, and that educating the general public on removing attractants and how to keep their pets safe would help alleviate some of the current urban wildlife issues. In response to Subcommittee questions regarding why the recommendation does not provide a seasonal position in Southern Nevada while providing one for Eastern Nevada and one for Western Nevada, the agency indicated Southern Nevada already has a seasonal position that provides conservation education related services, and this recommendation would provide the same types of services to Eastern Nevada and Western Nevada. In addition, the agency clarified that the public relations campaigns recommended in this budget include one specifically for Southern Nevada to address urban coyote issues and one in Northern Nevada to specifically address bear issues.

Does the Subcommittee wish to approve the Governor's recommendation to provide General Fund appropriations of \$96,089 in each year of the 2015-17 biennium for two seasonal positions and advertising and public relations campaigns to address coyotes in Southern Nevada and bears in Northern Nevada?

2. Videography Program (E-275, WILDLIFE-25): The Governor recommends Sportsmen Revenue of \$43,200 in each year of the 2015-17 biennium for contract costs to implement a Videography Program for public education and public outreach. The department indicates that in order to target constituents and customers in the ever-changing media environment, it must employ new methods to target busier and younger consumers that are becoming more tech savvy. The department reports that video has become a major player in outreach efforts in nearly every segment of business, industry and government, and that YouTube is the second highest trafficked search engine in the world. Accordingly, the Governor recommends funding in the Conservation Education budget for the department to produce three types of videos:

- Short Educational Videos: A series of short form educational videos, 60-90 seconds in length that would be used to highlight certain species, projects or hot topics. They would be delivered via the NDOW website, social media channels, YouTube, email distribution and other applicable platforms. Recommended costs: \$350 per video x 12 per year = \$4,200.
- Public Service Announcements: These would consist of 30-60 second videos designed to carry public service messages about a wide variety of topics that are timely and often sensitive in nature. They would be aimed at providing an educational service to the general public, and be distributed through the Nevada Broadcasters Association, local and regional television stations, as well as through NDOW's own distribution channels. Recommended costs: \$1,000 per video x 24 per year = \$24,000.
- Medium Length Videos: A series of medium length videos would be produced to highlight the passion NDOW employees have for Nevada wildlife and educate the public on successful wildlife-related programs and current wildlife-related challenges. These videos would be used at conferences, during legislative sessions and in general wildlife education outreach efforts. They would be distributed through public access television, public television, public school systems and via NDOW's direct distribution methods. Recommended costs: \$2,500 per video x 6 per year = \$15,000.

In response to Subcommittee questions, the agency indicates NDOW currently utilizes a broad range of tactics to implement its education and outreach efforts, including social media, podcasting, digital and web outreach, direct mail, media relations, publications, workshops, and classes. The agency clarified that the videos created through the recommended videography program would provide content for these existing and new digital outreach efforts.

Does the Subcommittee wish to approve the Governor's recommendation to provide \$43,200 in each year of the 2015-17 biennium for contract costs to implement a new videography program?

3. Spanish Language Translation and Outreach (E-276, WILDLIFE-25, 26): The Governor recommends Sportsmen Revenue of \$55,452 in FY 2016 and \$51,663 in FY 2017 for contract services to provide Spanish language translation and outreach. Specifically, this recommendation would provide advertising on Spanish radio stations in Reno and Las Vegas, as well as Spanish translation services for department press releases and signage throughout the state to display wildlife laws and regulations for outdoor activities. The department indicates Nevada ranks fifth in the nation for the number of Spanish speakers in its population, and that over 20 percent of the Las Vegas Metropolitan Area speaks Spanish. Accordingly, the department believes that many of the state's Spanish constituents are uninformed of wildlife laws and regulations and may not be able to understand the department's signage. For example, the department indicates the Spanish speaking community is often unaware of the basic need to purchase licenses in order to fish and the fact that regulations for fishing and other outdoor activities exist. In addition, the department reports that this growing demographic is important to the future of wildlife management and boating in Nevada because Spanish speaking citizens and visitors recreate in the state's outdoors.

Does the Subcommittee wish to approve the Governor's recommendation to provide Sportsmen Revenue of \$55,452 in FY 2016 and \$51,663 in FY 2017 for contract services to provide Spanish translation and outreach?

Other Closing Items

1. **Replacement Equipment (E-711, WILDLIFE-27):** The Executive Budget recommends federal Sportfishing grant revenues of \$25,761 in FY 2016 to replace one pickup truck. **This recommendation appears reasonable.**
2. **New Equipment (E-720, WILDLIFE-27):** The Executive Budget recommends license plate fees of \$19,998 in FY 2016 for the purchase of a two-axle trailer that would be used to transport and display fully interactive wildlife education materials highlighting local wildlife in lifelike animal poses. **This recommendation appears reasonable.**
3. **Mobile Friendly Application Development and Analysis Training (E-225, WILFLIFE-25):** The Executive Budget recommends Sportsmen Revenue of \$17,490 over the 2015-17 biennium for training and advanced metrics to allow the department's web developer to use best practices and methods in designing, developing, and deploying applications for mobile friendly websites, as well as to monitor and analyze the effectiveness of the proposed mobile websites. **This recommendation appears reasonable.**
4. **Cost Allocation Adjustments (E-800, WILDLIFE-27, 28):** The Executive Budget recommends a combination of federal wildlife restoration grant funds and Sportfishing grant funds totaling \$121,758 in FY 2016 and \$121,575 in FY 2017 to adjust departmental cost allocations. **This recommendation appears reasonable.**

Does the Subcommittee wish to approve all Other Closing Items as recommended by the Governor? Staff requests authority to make appropriate technical adjustments to this budget as necessary.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W02 - WORKING VERSION 2

Title: WILDLIFE - LAW ENFORCEMENT
 Account: 101 - 4463

Budget Page: WILDLIFE-30, Volume III

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
FEDERAL FUND	808,796	850,214	5.12	890,430	4.73	912,434	2.47
GENERAL FUND				63,221		55,565	(12.11)
INTERAGENCY TRANSFER	5,309,186	6,057,740	14.10	6,012,371	(0.75)	6,127,213	1.91
OTHER FUND	205,180	270,781	31.97	180,059	(33.50)	180,801	0.41
Total Revenues	6,323,162	7,178,735	13.53	7,146,081	(0.45)	7,276,013	1.82
Total FTE		52.00		52.00		52.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
E350	00	2501	Eliminate General Fund appropriation for Karelian bear dog that will be purchased with gift funds	(4,500)	
Sub-total				(4,500)	0
Line Item Changes to Revenues				(4,500)	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
E350	22	7000	Adjustment to remove Karelian bear dog puppy that will be purchased with gift funds	(4,500)	
Sub-total				(4,500)	0
Line Item Changes to Expenditures				(4,500)	0

Total				0	0
Grand Total General Fund Impact of Closing Changes				(4,500)	0

Overview

The Law Enforcement Division enforces wildlife and boating safety laws, and serves the sporting public while providing a public safety presence. The budget is funded primarily with restricted and unrestricted state license and fee revenues transferred from the Wildlife Fund, and federal funds. The Governor's recommended budget totals \$14.4 million over the 2015-17 biennium, a 6.5 percent decrease when compared to \$15.4 million approved for the 2013-15 biennium.

Major Closing Issue

General Fund Appropriations for Wildlife Management

Discussion of Major Closing Issue

General Fund Appropriations for Wildlife Management (E-350, WILDLIFE-32): As discussed in the highlight for the Conservation Education budget, the Governor recommends General Fund appropriations of \$61,879 in FY 2016 and \$54,012 in FY 2017 for urban wildlife management issues in this budget. This recommendation would fund existing personnel costs of \$52,796 in FY 2016 and \$52,786 in FY 2017 related to nuisance animal control activities with General Fund appropriations instead of

Sportsmen Revenue, as well as the purchase of one Karelian bear dog puppy and one microchip reader and dart gun for activities related to bears. During the budget hearing, the agency indicated the Karelian bear dog puppy recommended in this decision unit could be purchased with gift funds instead of a General Fund appropriation. Accordingly, staff has made an adjustment to this budget to remove the Karelian bear dog, thereby reducing the recommended General Fund appropriation by \$4,500 in FY 2016. This adjustment is reflected in this closing document.

Does the Subcommittee wish to approve the Governor's recommendation to provide General Fund appropriations of \$57,379 in FY 2016 and \$54,012 in FY 2017 for urban wildlife management issues in the Law Enforcement budget, including the adjustment by staff to remove the cost for the Karelian bear dog puppy?

Other Closing Items

1. Replacement Law Enforcement Equipment (E-710, WILDLIFE-33): The Governor recommends Sportsmen Revenue of \$60,944 in FY 2016 and \$56,639 in FY 2017, and Boating Revenue of \$113,182 in FY 2016 and \$105,186 in FY 2017, to purchase replacement equipment, including: 6 outboard motors; 17 mobile radios, 4 mountaintop repeaters, 1 uninterruptible power supply, and 1 radio test set for the agency's radio system; 2 safe boat collars; and 1 light bar for a patrol boat. Staff notes that the Network Transport Services budget in the Division of Enterprise Information Technology Services (EITS) includes a decision unit to replace the state's microwave system. During the March 19, 2015, budget hearing, the agency confirmed that the replacement equipment for the agency's radio system will be compatible with the proposed replacement statewide microwave system for EITS. **This recommendation appears reasonable.**
2. Replacement Vehicles (E-711, WILDLIFE-33): The Governor recommends Sportsmen Revenue of \$89,559 in FY 2016 and \$80,403 in FY 2017, and Boating Revenue of \$136,086 in FY 2016 and \$198,657 in FY 2017, for the purchase of 11 replacement diesel pickup trucks and associated law enforcement accessories (law enforcement graphics, sirens, spotlights, emergency lights, shotgun racks and locks, and radio consoles). **This recommendation appears reasonable.**
3. New Equipment (E-720, WILDLIFE-33, 34): The Governor recommends Sportsmen Revenue of \$2,695 and Boating Revenue of \$5,005 in FY 2016 to purchase a thermal night vision unit for a patrol boat. The division indicates this unit will allow enhanced night time patrol in Search and Rescue activities and reduce operator risk due to reduced visibility during nighttime patrols. **This recommendation appears reasonable.**
4. Cost Allocation Adjustments (E-800, WILDLIFE-34): The Governor recommends revenues totaling \$221,346 in FY 2016 and \$266,009 in FY 2017, including General Fund appropriations of \$1,342 and \$1,553, respectively, to adjust departmental cost allocations. **This recommendation appears reasonable.**

Does the Subcommittee wish to approve all Other Closing Items as recommended by the Governor? Staff requests authority to make technical adjustments to this budget as necessary.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W02 - WORKING VERSION 2

Title: WILDLIFE - GAME MANAGEMENT
 Account: 101 - 4464

Budget Page: WILDLIFE-36, Volume III

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
FEDERAL FUND	2,921,185	2,960,964	1.36	4,237,522	43.11	4,143,064	(2.23)
GENERAL FUND				71,404		68,607	(3.92)
INTERAGENCY TRANSFER	2,058,453	2,092,049	1.63	2,025,311	(3.19)	2,030,883	0.28
Total Revenues	4,979,638	5,053,013	1.47	6,334,237	25.36	6,242,554	(1.45)
Total FTE		31.00		33.00		33.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
E500	00	3500	Adjustment to reduce federal grant revenue due technical adjustment to correct amount of Sportsmen Revenue transferred from the Operations budget in E-900	(7,439)	(10,303)
E500	00	3501	Adjustment to reduce federal grant revenue due technical adjustment to correct amount of Sportsmen Revenue transferred from the Operations budget in E-900	(218)	(302)
E500	00	4760	Technical adjustment to correct amount of Sportsmen Revenue transferred from the Operations budget in E-900	7,657	10,605
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 Game Management Division is responsible for management, protection, research and monitoring of wildlife classified as game mammals, upland and migratory game birds and furbearing mammals. The division has four program areas: avian and terrestrial game species management; game wildlife/depredation control and compensation; predator management; and wildlife health and disease monitoring. Federal funds, restricted, and unrestricted license and fee revenues transferred from the Wildlife Fund are recommended to support the activities in this account. Total recommended funding is \$12.6 million over the 2015-17 biennium, a 32.5 percent increase as compared to \$9.5 million over the 2013-15 biennium. The majority of this increase is attributable to the recommended transfer of the Air Operations unit to this budget from the Operations budget.

Major Closing Issues

1. Contract for Scientific Database Design
2. General Funds for Urban Wildlife Management
3. Transfer Air Operations

Discussion of Major Closing Issues

1. Contract for Scientific Database Design (E-229, WILDLIFE-38): The Governor recommends federal Wildlife Restoration for Game Management funds of \$36,750 and Sportsmen Revenue of \$12,250 in FY 2016 to contract with an information technology firm to assess the current status of the department's scientific data, articulate data needs, and make recommendations for infrastructure and development of a new unified scientific database, including cost estimates for development. According to The Executive Budget, the information provided through this contract would then be used to seek approval of a Technology Investment Request in the 2017-19 biennium to develop and implement the recommended unified scientific database. The department indicates it currently has a variety of science-based data stored in a variety of forms, from paper to spreadsheets to stand alone databases, and that the department's Geographical Information Systems (GIS) unit utilizes this data on a regular basis. However, the agency indicates it spends considerable time converting this data to useable formats before it can be compiled and synthesized for analysis. The department indicates the development of a unified scientific database would include the design of web interfaces that would allow NDOW field staff to remotely upload data to a database from laptops and tablet devices, and make that data more accessible to department personnel for purposes of analysis. The agency further indicated that this scientific data is extremely important to the operation of the Game Management budget, and would also benefit the Diversity and Habitat budgets as well.

During the March 19, 2015, budget hearing, the agency testified that the recommended funding for the contract for scientific database design would be sufficient to complete the desired database in the 2015-17 biennium and would not require additional funds in future biennia to complete. In follow-up with staff, the agency indicated that when the budget was submitted, there was some uncertainty about the scope of work required for this project, which included the assumption that it would be a large technology undertaking requiring the development of a custom database. However, after comparing similar efforts in other states and reviewing the project's needs with the agency's webmaster and GIS manager, the agency determined this would be a much more modest undertaking. Accordingly, the funding recommended in this decision unit would allow the agency to contract with a database programmer who would assess needs, develop a unified database, and assist with the conversion of historical data. The agency further indicates that the contractor could perform a onetime effort to create the database, and that existing personnel, including network IT staff, GIS personnel, and biologists skilled in database management, could then maintain and update the database going forward. Accordingly, the agency indicates there would be no need for additional funding for this project in future biennia.

Does the Subcommittee wish to approve the Governor's recommendation to provide federal Wildlife Restoration for Game Management funds of \$36,750 and Sportsmen Revenue of \$12,250 in FY 2016 for contract services to develop a unified scientific database?

2. General Funds for Urban Wildlife Management (E-350, WILDLIFE-39): As discussed in the highlight for the Conservation Education budget, The Executive Budget recommends General Fund appropriations of \$71,404 in FY 2016 and \$68,607 in FY 2017 to implement the Governor's recommendation to improve urban wildlife management in the Game Management budget. This recommendation includes funding for a new seasonal position and cell phone, care and insurance of the existing Karelian bear dog in the department, one hand-held reader to scan microchip implants in bears, and one dart gun to tranquilize nuisance wildlife. Further, this recommendation includes funding for the time spent by the

current Carson City-based Biologist position in carrying out bear-related wildlife management activities with General Fund appropriations (\$33,336 in each year) instead of Sportsmen Revenue, thereby freeing up Sportsmen Revenue to be used in other areas where it could be matched with federal grant funds.

Does the Subcommittee wish to approve the Governor's recommendation to provide General Fund appropriations of \$71,404 in FY 2016 and \$68,607 in FY 2017 to address urban wildlife management issues in the Game Management budget?

3. Transfer Air Operations (E-500, E-900, WILDLIFE-39, 42): As discussed in the closing document for the Operations budget, the Governor recommends the transfer of the Air Operations unit, including two pilots and biennial funding of \$795,362 in Sportsmen Revenue and \$916,104 in federal Wildlife Restoration grant funds, from the Operations budget to the Game Management budget. The department indicates this realignment provides a more streamlined management oversight of Air Operations given the current structure of the department's functions and budgets, as the majority of flights are in support of the Game Division.

In Decision Module E-500, the Governor recommends replacing Sportsmen Revenue totaling \$813,624 over the biennium with federal Wildlife Restoration grant funds, thereby freeing up Sportsmen Revenue for other uses. Staff notes that the correct amount of Sportsmen Revenue replaced in Decision Module E-500 should be \$795,362, which is the same amount of Sportsmen revenue transferred to this budget in Decision Module E-900. Accordingly, staff has made technical adjustments to this budget, which are reflected in this closing document, to correct the Sportsmen Revenue reductions in Decision Module E-500.

Does the Subcommittee wish to approve the Governor's recommendation to transfer the Air Operations Unit from the Operations budget to the Game Management budget, including the replacement of Sportsmen Revenue totaling the corrected amount of \$795,362 over the biennium with federal Wildlife Restoration grant funds? Staff recommends approval of this recommendation consistent with the Subcommittee's closing action in the Operations budget.

Other Closing Items

1. Replacement Equipment (E-711, WILDLIFE-40): The Governor recommends federal Wildlife Restoration for Game Management funds of \$82,725 in FY 2016 and \$28,468 in FY 2017, and Sportsmen Revenue of \$27,575 in FY 2016 and \$9,490 in FY 2017, for four replacement pickup trucks equipped with camper shells and off-road tires. **This recommendation appears reasonable.**
2. New Field Equipment (E-720, WILDLIFE-40, 41): The Governor recommends federal Wildlife Restoration for Game Management funds of \$18,558 and Sportsmen Revenue of \$6,186 in FY 2016 to purchase 6 high-end spotting scopes, 12 Samsung Galaxy Tablets, and 6 GPS cameras. The agency indicates these pieces of equipment are needed to provide new technology that would assist in Game Management operations in the field. **This recommendation appears reasonable.**
3. New GPS Deer Collars (E-721, WILDLIFE-41): The Governor recommends Sportsmen Revenue of \$150,000 in each year of the biennium for the purchase of 100 deer GPS collars in each year of the biennium. The agency indicates these collars cost \$1,500 each, and are needed as partial replacements for existing collars lost through normal attrition, as well as to expand the number of collars available to the department to keep the Mule Deer Monitoring Program operational. **This recommendation appears reasonable.**

4. Cost Allocation Adjustments (E-800, WILDLIFE-41): The Governor recommends federal Wildlife Restoration funds of \$144,777 in FY 2016 and \$171,901 in FY 2017 to adjust departmental cost allocations. **This recommendation appears reasonable.**

Does the Subcommittee wish to approve all Other Closing Items as recommended by the Governor? Staff requests authority to make technical adjustments to this budget as necessary.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W02 - WORKING VERSION 2

Title: WILDLIFE - FISHERIES MANAGEMENT
Account: 101 - 4465

Budget Page: WILDLIFE-45, Volume III

Revenues	2013-14 Actual	2014-15 WP	%	2015-16 GOV REC	%	2016-17 GOV REC	%
FEDERAL FUND	4,124,500	5,382,259	30.49	5,176,326	(3.83)	5,220,488	0.85
GENERAL FUND	149,892	149,892		150,918	0.68	151,001	0.05
INTERAGENCY TRANSFER	2,650,673	2,215,253	(16.43)	1,755,460	(20.76)	1,649,491	(6.04)
OTHER FUND	49,563						
Total Revenues	6,974,628	7,747,404	11.08	7,082,704	(8.58)	7,020,980	(0.87)
Total FTE		41.00		41.00		41.00	

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	2016-17
B000	19	7000	Add contract for AIS services at Lahontan, Rye Patch, and Wild Horse State Parks because contract with State Parks ends December 31, 2015.	86,764	109,999
B000	19	9000	Reduce transfers to State Parks for AIS services at Lahontan, Rye Patch, and Wild Horse State Parks because contract with State Parks ends December 31, 2015.	(86,764)	(109,999)
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 Fisheries Management Division facilitates programs for fisheries throughout Nevada, including programs that are designed to provide the state's angling public with recreational fishing opportunities, and to conserve and protect Nevada's native fish, amphibians, mollusks, and crustaceans. The division also works to prevent and control aquatic invasive species.

This budget is funded primarily with federal funds, and restricted and unrestricted license and fee revenues transferred from the Wildlife Fund. The Governor recommends total funding of \$14.1 million over the 2015-17 biennium, a 4.1 percent decrease when compared to the 2013-15 legislatively approved amount of \$14.7 million over the 2013-15 biennium.

Major Closing Issues

There are no major closing issues.

Other Closing Items

1. **Replacement Fisheries Equipment (E-710, WILDLIFE-48)**: The Governor recommends federal Sportfish Restoration for Fish Management funds of \$21,569, federal Sportfish Trout Production funds of \$30,282, and Sportsmen Revenue of \$17,284 over the 2015-17 biennium to replace four backpack electrofisher units, one Generator Powered Pulsator for electrofishing, and one outboard boat motor. **This recommendation appears reasonable.**

2. **Replacement Vehicles (E-711, WILDLIFE-48)**: The Governor recommends federal Sportfish Restoration for Fish Management funds of \$64,114, federal Sportfish Restoration for Trout Production funds of \$90,004, and Sportsmen Revenue of \$51,372 over the 2015-17 biennium to replace one 5-ton flatbed truck and associated accessories for the Mason Valley fish hatchery, and three pickup trucks and associated camper shells and off-road tires. **This recommendation appears reasonable.**

3. **New Equipment (E-720, WILDLIFE-49)**: The Governor recommends federal Sportfish Restoration for Fish Management funds of \$112,234, federal Sportfish Restoration for Trout Production funds of \$157,561, and Sportsmen Revenue of \$89,933 over the 2015-17 biennium for the following new equipment:
 - **Two decontamination stations**, at a cost of \$106,234 in each year of the biennium, for fish transport and planting trucks in order to comply with state mandates to prevent the spread of invasive species into the department's facilities and into the state's waterways.

 - **One water control system**, at a cost of \$110,615 in FY 2016, to monitor the functioning of the water wells supplying the Mason Valley fish hatchery. The system would assist in ensuring and maintaining proper water capacity flows to the fish rearing raceways. The department indicates it is critical to maintain the proper water flows in the fish production facility to avoid loss of fish, and the current monitoring system has been in place for almost fifteen years and has started to fail. Rodents have chewed numerous spots in the fiber optic cables, leaving the system inoperative much of the year. The new system will be radio based, thus rodent issues will no longer be an issue.

 - **One Aqua Pressure Vessel**, at a cost of \$26,500 in FY 2016, to be used to sterilize fish eggs from brood fish at the Gallagher Hatchery as well as eggs brought in from Marlette Lake. The agency indicates it is becoming increasingly difficult to find reliable sources of healthy fish eggs, and this equipment would help it maintain independence in fish egg production and avoid purchasing eggs from outside producers.

 - **One egg sorter**, at a cost of \$7,800 in FY 2017, to properly count and sort new trout eggs after harvest. Currently, the department indicates counts are done by hand and only approximate actual egg counts. In addition, besides accuracy issues, the department indicates hand counting and sorting is time consuming and is hard on the entire egg harvest, causing death to some eggs and introducing disease to the viable eggs.

 - **One cargo trailer**, at a cost of \$2,345 in FY 2016, to assist in the moving of survey equipment and camping materials in the field for three to four person stream survey crews and to provide security for the equipment while in the field.

Based on the information provided by the agency, this recommendation for new equipment appears reasonable.

4. Cost Allocation Adjustments (E-800, WILDLIFE-49): The Governor recommends total funding of \$141,245 in FY 2016 and \$178,342 in FY 2017, including General Fund appropriations of \$2,114 in FY 2016 and \$2,248 in FY 2017, to adjust departmental cost allocations. **This recommendation appears reasonable.**

5. Technical Adjustment (Base, WILDLIFE-46): The Executive Budget recommends the continuation of transfers of \$109,999 in each year of the 2015-17 biennium to the Division of State Parks for its efforts in providing management of the Aquatic Invasive Species (AIS) program at Lahontan, Rye Patch, and Wild Horse State Parks. However, the contract between NDOW and State Parks for these services expires on December 31, 2015, after which time State Parks will no longer manage the program. NDOW has indicated it will contract with a vendor to manage the AIS program at these parks beginning January 1, 2016, at the same funding level provided to State Parks. Accordingly, this closing document contains a technical adjustment to eliminate the transfer of AIS funds to State Parks for the last half of FY 2016 and all of FY 2017, and establish contract authority in the same amounts in FY 2016 and FY 2017 to provide AIS program management services. These adjustments are revenue neutral and match the Subcommittee's closing action in the State Parks budget.

Does the Subcommittee wish to approve all Other Closing Items as recommended by the Governor, including the technical adjustment recommended by staff? Staff requests authority to make other technical adjustments to this budget as necessary.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W01 - GOVERNOR RECOMMENDS

Title: WILDLIFE - HABITAT
 Account: 101 - 4467

Budget Page: WILDLIFE-58, Volume III

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
FEDERAL FUND	2,961,721	3,854,838	30.16	3,551,485	(7.87)	3,657,632	2.99
INTERAGENCY TRANSFER	2,459,830	2,475,890	0.65	2,222,078	(10.25)	2,263,769	1.88
OTHER FUND	166,339	25,000	(84.97)	150,000	500.00	150,000	
Total Revenues	5,587,890	6,355,728	13.74	5,923,563	(6.80)	6,071,401	2.50
Total FTE		35.00		35.00		35.00	

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 Habitat Division is responsible for reviewing, assessing and providing comments on all proposed land and water uses and providing fish and wildlife data to all entities (private developers, local, state, and federal governments) for planning and decision-making purposes. The Division is also responsible for planning, operating, and maintaining state-owned or leased lands on Wildlife Management Areas (WMA). In addition, the Division also administers the water development (guzzler) program, rangeland and wildlife habitat restoration, and rehabilitation efforts, as well as industrial pond permitting operations for the Nevada Department of Wildlife (NDOW).

This budget is funded by federal funds, as well as restricted and unrestricted state license and fee revenues transferred from the Wildlife Fund account. The Governor recommends total funding of \$12.0 million over the 2015-17 biennium, an increase of 32.4 percent when compared to the \$9.1 million approved for the 2013-15 biennium.

Major Closing Issues

There are no major issues.

Other Closing Items

1. **Out-of-State Travel (E-245, WILDLIFE-60)**: The Governor recommends \$6,607 in each year of the biennium, composed of various federal grants and Sportsmen Revenue of \$1,798, for additional out-of-state travel for training and conferences. The agency indicates the base year travel budget was low due to a high number of vacancies and some key conferences being held in Nevada. **This recommendation appears reasonable.**
2. **Replacement Farm Equipment (E-710, WILDLIFE-61)**: The Governor recommends \$8,109 in federal Wildlife Restoration grant funds, \$48,415 in federal Sport Fish Restoration grant funds, and \$18,841 in Sportsmen Revenue over the 2015-17 biennium, to replace one tractor and one end wheel grain drill for the Steptoe Valley Wildlife Management Area. The department indicates the current farm utility tractor was purchased used in 1986 and is beyond its useful life, and that utility tractors are essential to complete various wildlife habitat manipulations and facility maintenance tasks daily. The agency states the current grain drill is 40 years old, requires frequent repairs and is beyond its useful life. A grain drill is needed to plant wildlife food plots, replant areas treated for noxious weeds and restore fallow agricultural fields. **This recommendation appears reasonable.**
3. **Replacement Vehicles (E-711, WILDLIFE-61, 62)**: The Governor recommends \$73,151 in FY 2016 and \$121,465 in FY 2017, composed of various federal grants and Sportsmen Revenue of \$11,410 and \$25,627, respectively, to replace five pickup trucks and off-road tires. **This recommendation appears reasonable.**
4. **New Equipment (E-720, WILDLIFE-62)**: The Governor recommends \$80,688 in FY 2016 and \$138,950 in FY 2017, including Sportsmen Revenue of \$20,172 and \$34,738, respectively, for various pieces of new equipment to assist the department in its habitat activities, including:
 - Two UTVs outfitted with sprayers and seed drills;
 - One rotary cutter for habitat management projects, such as removing emergent vegetation and manipulating fields for optimal planting and habitat conditions;
 - One International truck and flatbed transport trailer to haul heavy equipment throughout the eastern part of the state to complete facilities maintenance and habitat projects on three different wildlife management areas;
 - One rock hammer to help in constructing water development projects in varied soil conditions across the state;
 - One water trailer to reduce reliance on aerial helicopter water hauls in emergency drought situations; and
 - One trailer to haul the water development equipment and materials from storage to water development project sites.

Based on the information provided by the agency, this recommendation for new equipment appears reasonable.

5. **Cost Allocation Adjustments (E-800, WILDLIFE-62, 63)**: The Governor recommends federal Wildlife Restoration grant funds of \$149,669 in FY 2016 and \$181,171 in FY 2017 to adjust departmental cost allocations. **This recommendation appears reasonable.**

Does the Subcommittee wish to approve all Other Closing Items as recommended by the Governor? Staff requests authority to make technical adjustments as necessary.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W02 - WORKING VERSION 2

Title: NDVS - OFFICE OF VETERANS' SERVICES
Account: 101 - 2560

Budget Page: VETERANS-7, Volume III

Revenues	2013-14 Actual	2014-15 WP	%	2015-16 GOV REC	%	2016-17 GOV REC	%
			Chg		Chg		Chg
FEDERAL FUND	1,333,600	1,428,162	7.09	2,214,799	55.08	2,700,952	21.95
GENERAL FUND	1,712,395	1,818,448	6.19	1,533,269	(15.68)	1,813,851	18.30
INTERAGENCY TRANSFER		669		277,544	41386.4 0	310,077	11.72
OTHER FUND	2			2		1	(50.00)
REVERSIONS	(17,862)						
Total Revenues	3,028,135	3,247,279	7.24	4,025,614	23.97	4,824,881	19.85
Total FTE		35.00		48.00		48.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	00	2501	Increase General Fund appropriations per budget amendment A150672560.	502,216	975,020
B000	00	3731	Decrease cemetery/interment revenue per budget amendment A150672560.	(502,216)	(975,020)
E230	00	2501	Increase General Fund appropriations per budget amendment A150672560.	3,460	4,415
E230	00	3731	Decrease cemetery/interment revenue per budget amendment A150672560.	(3,460)	(4,415)
E231	00	2501	Increase General Fund appropriations per budget amendment A150672560.	1,953	2,583
E231	00	3731	Decrease cemetery/interment revenue per budget amendment A150672560.	(1,953)	(2,583)
E232	00	2501	Increase General Fund appropriations per budget amendment A150672560.	3	1
E232	00	3731	Decrease cemetery/interment revenue per budget amendment A150672560.	(3)	(1)
E233	00	2501	Decrease General Fund appropriations per budget amendment A150672560.	(21,161)	(1,218)
E233	00	3731	Decrease cemetery/interment revenue per budget amendment A150672560.	(19,615)	(1,127)
E234	00	2501	Increase General Fund appropriations per budget amendment A150672560.	1	1
E234	00	3731	Decrease cemetery/interment revenue per budget amendment A150672560.	(1)	(1)
E235	00	2501	Increase General Fund appropriations per budget amendment A150672560.	2,439	3,243
E235	00	3731	Decrease cemetery/interment revenue per budget amendment A150672560.	(2,439)	(3,243)
E240	00	2501	Decrease General Fund appropriations per budget amendment A150672560.	(250,000)	(968,260)
E710	00	2501	Increase General Fund appropriations per budget amendment A150672560.	144	138
E710	00	3731	Decrease cemetery/interment revenue per budget amendment A150672560.	(144)	(138)
E720	00	2501	Decrease General Fund appropriations per budget amendment A150672560.	(31,859)	
E720	00	3731	Decrease cemetery/interment revenue per budget amendment A150672560.	(29,587)	

E805	00	2501	Increase General Fund appropriations per budget amendment A150672560.	272	287
E805	00	3731	Decrease cemetery/interment revenue per budget amendment A150672560.	(272)	(287)
Sub-total				(352,222)	(970,605)
Line Item Changes to Revenues				(352,222)	(970,605)

Adjustments to Expenditures					
Dec Unit	Cat	GL	Description	2015-16	2016-17
E233	01	5000	Delay start date of Ground Maintenance Worker III until October 2016 per budget amendment A150672560.	(31,302)	(11,465)
E233	04	7000	Delay start date of Ground Maintenance Worker III until October 2016 per budget amendment A150672560.	(118)	
E233	15	8000	Delay purchase of one club car until FY 2017 per budget amendment A150672560.		9,120
E233	15	8000	Remove one club car per budget amendment A150672560.	(9,120)	
E233	26	7000	Delay start date of Ground Maintenance Worker III until October 2016 per budget amendment A150672560.	(236)	
E240	13	7000	Remove Fernley Cemetery water project per budget amendment A150672560.	(165,000)	
E240	13	8000	Remove Fernley Cemetery water project per budget amendment A150672560.	(85,000)	(968,260)
E720	14	8000	Remove New Equipment purchases per budget amendment A150672560.	(54,750)	
E720	15	8000	Remove New Equipment purchases per budget amendment A150672560.	(6,696)	
Sub-total				(352,222)	(970,605)
Line Item Changes to Expenditures				(352,222)	(970,605)
Total				0	0

Grand Total General Fund Impact of Closing Changes	207,468	16,210
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Overview

The Nevada Department of Veterans' Services consists of the Office of Veterans' Services (Office) and the Nevada State Veterans' Home. The Office is responsible for assisting veterans and their families in obtaining services, compensation, and government benefits, as well as supervising the operation and maintenance of the Nevada Veterans' Memorial Cemeteries located in Boulder City and Fernley. The Office also oversees the operation of the 180-bed Nevada State Veterans' Home in Boulder City.

The Executive Budget recommends General Fund support for the Office of Veterans' Services budget totaling \$3.3 million for the 2015-17 biennium, a 5.2 percent decrease from the amount approved for the 2013-15 biennium (\$3.5 million). The Executive Budget also recommends Cemetery/Interment Fee revenue totaling \$4.9 million for the 2015-17 biennium, a 73.9 percent increase from the amount approved for the 2013-15 biennium (\$2.8 million). Overall, total funding is recommended to increase by 39.2 percent, driven mainly by a projected increase in Cemetery/Interment Fee revenue.

Major Closing Issues

1. Cemetery/Interment Fee Revenue Projections
2. Eight New Positions
3. Northern Nevada Veterans' Memorial Cemetery Water Project

Discussion of Major Closing Issues

1. Cemetery/Interment Fee Revenue Projections (Summary, VETERANS-15): Cemetery/Interment Fees are received from the federal Veterans Administration (VA) for interment reimbursements to partially offset the cost of veterans' cemeteries. Although actual Cemetery/Interment Fee revenue grew

13.5 percent in FY 2013 and 3.5 percent in FY 2014, The Executive Budget projects annual growth rates of 55.1 percent in FY 2016 and 22 percent in FY 2017. In dollar terms, these projections show Cemetery/Interment Fee revenue more than doubling from \$1.3 million in FY 2014 to \$2.7 million in FY 2017. Two factors contribute to Cemetery/Interment Fee revenue: the number of interments and the VA reimbursement per interment. While the VA reimbursement per interment is expected to rise marginally from \$734 in federal fiscal year (FFY) 2014 to \$767 in FFY 2017 (4.5 percent), the projected number of interments rises significantly from 2,374 in FY 2014 to 3,236 in FY 2017 (36 percent), despite a relatively stable period of burials from 2011-2014. From 2011 to 2014, the number of veteran cemetery burials grew 5.3 percent from 2,254 in 2011 to 2,374 burials in 2014.

When reviewing revenue projections in The Executive Budget, staff noted concerns that Cemetery/Interment Fee revenue projections may be overstated, and brought these concerns to the attention of the Budget Office and the agency. In response, the agency has indicated to Fiscal staff that the revenue projections in *The Executive Budget* are overstated. Staff notes that the two major revenue sources for the budget are Cemetery/Interment Fees and General Fund appropriations, and that any decrease in Cemetery/Interment Fees could only be offset by expenditure reductions or additional General Fund appropriations. Preliminary re-projections provided by the agency prior to the February 24, 2015, budget hearing indicated the projected fee revenue may be approximately \$1.5 million less than the amount recommended in The Executive Budget over the biennium.

The agency re-projected fee revenue based on mortality projections provided by the National Center for Veterans Analysis and Statistics, which reduced the projected revenue by \$559,690 in FY 2016 and \$986,815 in FY 2017. To adjust for the decrease in projected fee revenue, the Budget Office submitted Budget Amendment A150672560, which, in summary, delays one Ground Maintenance Worker to begin in FY 2017 instead of FY 2016, eliminates the Northern Nevada Veterans' Cemetery water project, eliminates new equipment purchases (excavator and sod seeding machine) for the cemeteries; and increases General Fund appropriations by \$207,468 in FY 2016 and \$16,210 in FY 2017. The re-projections show the expected revenue to increase by an average of \$57,800 (approximately 3.5 percent) in each year of the 2015-17 biennium, which is in-line with historical growth. Staff notes, the agency also increased expected FY 2015 revenue from the amount stated in The Executive Budget due to reported changes in its VA reimbursement processes. Staff will point out the associated budget reductions in each applicable decision unit in this closing document.

Does the Subcommittee wish to accept Budget Amendment A150672560, which decreases Cemetery/Interment Fee revenue by \$1.5 million and increases General Fund appropriations by \$223,678 over the 2015-17 biennium to account for Cemetery/Internment Fee re-projections?

2. Eight New Positions (E-230-E-235, VETERANS-9-11): The Governor recommends additional funding of \$390,907 (\$195,373 General Fund appropriations) in FY 2016 and \$480,214 (\$239,467 General Fund appropriations) in FY 2017 to support eight new positions scheduled to start in October 2015. Staff notes the recommended new positions in three decision modules (E-230, E-231 and E-235) in The Executive Budget are funded with 48 percent General Funds and 52 percent Cemetery/Interment Fees; whereas the funding split for positions in this budget is typically 52 percent General Funds and 48 percent Cemetery/Interment Fees.

Staff worked with the agency and the Budget Office on this issue, the results of which are included in Budget Amendment A150672560, which includes corrections related to the revenue re-projection shortfall and the funding mix in Decision Units E-230, E-231 and E-235. Each recommended position, its funding after application of the budget amendment, and the change resulting from the budget amendment is shown in the table below. In total, the recommended General Fund appropriations was

reduced by \$4,280 over the biennium as a result of the budget amendment, resulting mainly from the delayed start date of one position in Decision Unit E-234 until October 2016.

RECOMMENDED NEW POSITION EXPENSES AS ADJUSTED BY BUDGET AMENDMENT A150672560

Position	Decision Unit	Number of Positions	FY 2016			FY 2017			Change in recommended General Fund appropriations due to Budget Amendment A150672560 over the 2015-17 biennium.
			General Funds	Internment Fees	FY 2016 Total	General Fund	Internment Fees	FY 2017 Total	
Deputy Director	E-230	1	\$44,975	\$41,515	\$86,490	\$57,397	\$52,982	\$110,379	\$7,875
Public Info. Officer	E-231	1	\$25,391	\$23,438	\$48,829	\$33,585	\$31,002	\$64,587	\$4,536
Admin. Asst.	E-232	1	\$18,280	\$16,874	\$35,154	\$23,795	\$21,965	\$45,760	\$4
Maint. Workers	E-233	3	\$45,158	\$41,685	\$86,843	\$69,199	\$63,876	\$133,075	(\$22,379)
Admin. Asst.	E-234	1	\$16,563	\$15,289	\$31,852	\$22,362	\$20,641	\$43,003	\$2
IT Manager	E-235	1	\$31,701	\$29,262	\$60,963	\$42,154	\$38,911	\$81,065	\$5,682
	Total	8	\$182,068	\$168,063	\$350,131	\$248,492	\$229,377	\$477,869	(\$4,280)

A. One Deputy Director (E-230): The Governor recommends \$196,869 (\$94,497 General Fund appropriations) over the biennium for a new Deputy Director, who would manage and provide oversight of veterans' programs with a wellness focus. According to the agency, the Office's current leadership team consists of a Director and a Deputy Director. If the recommended new Deputy Director position is approved, the existing Deputy would be the Deputy Director for Veteran Education and Employment (DDVEE) and the new position would be the Deputy Director for Veteran Health Care (DDVHC). The agency indicates the new Deputy Director would be located in Reno and would serve as the agency's project lead for the creation of the Northern Nevada Veterans' Home (NNVH); oversee both the Veterans Suicide Prevention Program and the Homeless Veterans Program; manage the oversight of the Southern Nevada Veterans' Home and the proposed new Northern Nevada Veterans' Home; and support and manage two nursing home advisory boards.

During the February 24, 2015, budget hearing, the agency indicated that if the Capital Improvement Project (CIP) funding for the new NNVH is not approved, the position could be productively employed without the NNVH's associated duties. For example, the agency testified that if the NNVH is not approved, the DDVHC could work on securing grant funding and evaluating opportunities to establish adult daycare facilities in Southern Nevada, which the agency indicated a demand exists for those types of facilities. The State Public Works Division, Administration budget, which includes the NNVH CIP project, is expected to close in early May in front of the Subcommittee on K-12/Higher Education/CIPS.

During testimony, the agency indicated the incumbent Deputy Director, who would be retitled to the DDVEE, would provide oversight to the Veterans' Advocacy and Support Team, the Veterans' Advocate Program, the Community Outreach Program, and manage the Incarcerated Veteran Reintegration Program, and the Cemetery Grant Program. The Office indicates the growing scope of the Offices' services is beyond the capacity of one Deputy Director.

Assembly Bill (A.B.) 471 would revise *Nevada Revised Statute* 417.030 to allow the department two Deputy Directors. The bill was scheduled to be heard before the Assembly Ways and Means committee on April 22, 2015; however, the bill was not heard. Depending upon the outcome of A.B. 471, this decision unit may need to be modified or deleted.

To adjust for the decrease in projected Cemetery/Interment fee revenue, Budget Amendment A150672560 increases the recommended General Fund appropriations by \$7,875 in the 2015-17 biennium for this position.

Does the Subcommittee wish to approve the Governor's recommendation to provide funding for a new Deputy Director totaling \$196,869 over the 2015-17 biennium, of which \$102,372 would be General Fund appropriations, with the adjustments included in Budget Amendment A150672560?

B. Replace Two Contract Positions Currently Funded with the License Plate Gift Account (E-231 and E-234): The Governor recommends \$188,271 (\$93,363 General Fund appropriations) to replace two contracted positions, which are currently funded with License Plate Gift Account funds, with state employees.

i. One Public Information Officer (E-231): The agency currently has a public information program, which is administered through a contract funded with revenue from the Veterans' License Plate Gift Account (Gift Account). According to the agency, by converting the contractor to a state Public Information Officer, the draw on the gift account would be eliminated, freeing up funds for expenditures more typically funded through gifts. In addition, the agency indicates that a state employee would be able to access state and federal information systems, whereas, the current independent contractor cannot. The agency expressed concerns that working with an independent contractor has not given the Office control over the means and manner of accomplishing the needed work. According to the agency, \$91,410 was paid to a contractor in FY 2014 out of the Gift Account for public information duties.

When questioned about whether the Gift Account could continue to sustain the public information program without additional General Fund appropriations, the agency indicated the Gift Account could continue to sustain the program. However, the agency indicated the department is using Gift Account revenue for a state classified position, and according to NRS 317.090, the department is required to serve as a clearinghouse and disseminate information related to veterans' benefits, which are duties the recommended position would perform. Staff notes 50 percent of the salary and benefit costs associated with this position would be cost allocated to the Veterans' Home budget, which is General Fund independent.

To adjust for the decrease in projected Cemetery/Interment fee revenue, Budget Amendment A150672560 increases the recommended General Fund appropriations by \$4,536 in the 2015-17 biennium for this position.

Does the Subcommittee wish to approve the Governor's recommendation to provide funding for a new Public Information Officer totaling \$113,416 over the 2015-17 biennium, of which \$58,976 would be General Fund appropriations after including adjustments related to Budget Amendment A150672560?

ii. One Administrative Assistant (E-234): The Governor recommends one Administrative Assistant to provide administrative support for two Veterans' Service Representatives (VSR) in Elko. The agency reports that the Administrative Assistant duties are being accomplished with a

20-hour per week contract funded with revenue from the License Plate Gift Account. In addition, the agency indicates that the Elko VSRs are attending to administrative tasks, which hinders their productivity. During the budget hearing, the agency testified that the average wait time for an appointment with a VSR in Elko is four weeks, and through the supporting role of the Administrative Assistant position, the average wait time would be reduced by approximately half.

To adjust for the decrease in projected Cemetery/Interment fee revenue, Budget Amendment A150672560 increases the recommended General Fund appropriations by \$2 in the 2015-17 biennium for this position.

Does the Subcommittee wish to approve the Governor's recommendation to provide funding for a new Administrative Assistant totaling \$74,855 over the 2015-17 biennium, of which \$38,925 would be General Fund appropriations, with the adjustments included in Budget Amendment A150672560?

- C. One Administrative Assistant (E-232): The Governor recommends \$80,914 (\$42,071 General Fund appropriations) for a new Administrative Assistant to support the current Deputy Director. The agency reports that the administrative duties in support of the Deputy Director are currently being performed by a half-time contract staff (50 percent), other Administrative Assistants within the agency (45 percent), and the current Deputy Director (5 percent). Subsequent to the budget hearing, the agency indicated to staff that the half-time contract position is no longer providing support to the Deputy Director due to the time spent out of the office by the Deputy Director, which prohibited the proper oversight of a temporary agency contract position.

During the budget hearing, the agency testified that at one time it did have an Administrative Assistant position whose duties were split between support for the deputy and the women's program coordinator. With the expansion of the latter, the position changed to be a full-time women's program manager, and could no longer support the Deputy Director. The agency indicated this Administrative Assistant would perform tasks for the second Deputy Director that is requested in Decision Unit E-230, as there is no Administrative Assistant position requested for the second deputy.

The Subcommittee inquired whether this Administrative Assistant, who would be located in Southern Nevada, would be able to assist the recommended new Deputy Director (E-230, VETERANS-9), who would be located in Northern Nevada, as the recommended new Deputy Director would not have an Administrative Assistant. The agency replied that some tasks could be performed remotely and the Director's incumbent Administrative Assistant, who is located in Northern Nevada, would assist the new Deputy Director (Northern Nevada) with scheduling and day-to-day support. According to the agency's testimony, the Director's incumbent Administrative Assistant (Northern Nevada), and this recommended new Administrative Assistant (Southern Nevada), would share the workload for the Director (Northern Nevada) and the two Deputy Directors (one Southern and one Northern Nevada).

To adjust for the decrease in projected Cemetery/Interment fee revenue, Budget Amendment A150672560 increases the recommended General Fund appropriations by \$4 in the 2015-17 biennium for this position.

Does the Subcommittee wish to approve the Governor's recommendation to provide funding for a new Administrative Assistant totaling \$80,914 over the 2015-17 biennium, of which \$42,075 would be General Fund appropriations, with the adjustments included in Budget Amendment A150672560?

- D. One Maintenance Repair Worker and Two Ground Maintenance Workers (E-233): The Governor recommends \$263,039 (\$136,736 General Fund appropriations) over the biennium for one Maintenance Repair Worker and two Grounds Maintenance Workers for the Southern Nevada Veterans' Memorial Cemetery (SNVMC). The agency indicates the duties of the proposed positions are currently being performed by Ground Equipment Operators, whose primary focus is performing burials, and with an increasing number of burials, less time is spent on grounds upkeep. According to the agency, the Southern Nevada Veterans. Memorial Cemetery has more than doubled in size from approximately 20 acres in 2003 to approximately 40.5 acres currently. The agency also reports since 2003, the non-administrative cemetery staff has increased by one position, from seven to eight.

In response to questions about how the NDVS determined that three positions are needed to address the SNVMC's maintenance needs, the agency reported that in relation to increased acreage at the cemetery, the irrigation system and cemetery fleet has also increased. Further, the agency reports an increase in the number of complaints from visitors concerning the condition of the grass. In response, the agency would like a position to specialize in the facility's irrigation system. Accordingly, one of the recommended Ground Maintenance Worker's duties would include constructing or modifying existing irrigation systems, inspecting and repairing systems, diagnosing malfunctions, performing preventative maintenance, and scheduling irrigation.

The agency indicates a need for a Maintenance Repair Worker to perform equipment maintenance and repair work in order to maintain building and grounds equipment and vehicles in proper working order; tune and adjust equipment/vehicles; perform preventative maintenance and replace worn or damaged parts such as brakes, belts, rotors, plugs, and tires. Personnel records show the agency currently does not have a Maintenance Repair Worker at the SNVMC.

Another Ground Maintenance Worker is recommended in The Executive Budget; however, Budget Amendment A150672560 would delay the start of this position until FY 2017 due to the Cemetery/Interment Fee re-projections. According to the agency, this position would perform most routine duties associated with maintaining grounds.

To adjust for the decrease in projected Cemetery/Interment fee revenue, Budget Amendment A150672560 decreases the recommended General Fund appropriations by \$22,379 in the 2015-17 biennium due to the delay of one Ground Maintenance worker until October 2016.

Does the Subcommittee wish to approve the Governor's recommendation to provide funding for one Maintenance Repair Worker and Two Ground Maintenance Workers, including the recommended delay and funding adjustments for one Ground Maintenance worker until FY 2017 per Budget Amendment A150672560, at a cost of \$219,918 over the 2015-17 biennium, of which \$114,357 would be General Fund appropriations?

- E. One IT Manager (E-235): The Governor recommends \$142,028 (\$68,173 General Fund appropriations) over the biennium for one IT Manager to be located in Reno. According to the agency, the IT workload has increased significantly over time while the IT staff has not, which has led to the workload exceeding the capacity of IT staff. The agency indicates it has been relying on IT staff authorized to run the Nevada State Veterans' Home (Home) to manage all statewide

programs. Staff notes the requested IT Manager would be a Grade 41, while the existing IT positions in the Veterans Home Account are Grades 39 and 35. The agency has identified the following issues resulting from inadequate IT staff:

- Non-technical staff completing their own basic troubleshooting.
- Nearly \$50,000 of new critical IT equipment and software remains undistributed as of February 21, 2015.
- Changes to the Electronic Health Records System contract (improving billing, clinical notations, data mining, etc.) have been delayed.
- IT Risk Management Documentation Project is incomplete.
- Inability to participate in all the Northern Nevada Veterans' Home planning meetings resulting in delay in identifying technology requirements.
- Two and half-year delay in implementing the National Veterans' Information System, risking loss of project grant funding.
- Delay in roll out of agency web site (major sections still under construction).
- Only one of three planned rural Interactive Video Sites activated.
- Four-month delay in agency headquarters move due to inability to appropriately plan and coordinate IT support needed in new offices.
- Significant agency server issues associated with lack of time to identify problems and work collaborative solutions with EITS.

During budget hearing testimony, the agency indicated the IT manager would serve functions in both the Veterans' Home budget and the Office of Veterans' Service budget; therefore, the Veterans' Home budget would support 50 percent of the salary and benefits associated with this position. The position would oversee the other two IT positions, which are located at the Home.

In response to staff's inquires as to how the department determined the need for an IT Manager, the agency responded that it reviewed existing staffing trends, technical support statistics, and project deliverables. According to the agency, the results of their research indicated a need for an IT Manager, which would allow the existing IT positions located at the Home to focus on their job duties. When staff inquired as to whether this position could be filled at a lower grade, the agency indicated that the Nevada Department of Administration, Division of Human Resources' class specification states that IT Managers are responsible for planning, organizing, directing and controlling the IT activities for a division, and noted the department's program and initiatives continue to expand. Further, the NDVS compared its organization to two similarly sized organizations, the Southern Nevada Adult Mental Health Services and the Desert Regional Center, and found that both organizations had an IT Manager III managing their IT programs; whereas, the NDVS IT program is currently managed by the NDVS' management team. Staff notes the job titles within the Division of Human Resources' class specification for IT Managers range from an IT Manager I (Grade 41) to a Chief IT Manager (Grade 44). Staff also notes the Division of Human Resources will evaluate the appropriateness of the recommended position's pay grade before it would be filled.

To adjust for the decrease in projected Cemetery/Interment fee revenue, Budget Amendment A150672560 increases the recommended General Fund appropriations by \$5,682 in the 2015-17 biennium for the IT Manager position.

Does the Subcommittee wish to approve the Governor's recommendation to provide funding for one IT Manager, totaling \$142,028 over the 2015-17 biennium, of which \$73,855 would be General Fund appropriations, with the adjustments included in Budget Amendment A150672560?

3. Northern Nevada Veterans' Memorial Cemetery Water Project (E-240, VETERANS-12): As an alternative to the continued purchase of water from the City of Fernley, the Governor recommends General Fund appropriations of \$1.2 million over the 2015-17 biennium to purchase water rights and construct a water delivery system from the Truckee-Carson Irrigation District to the Northern Nevada Veterans' Memorial Cemetery. The proposed system consists of 44,000 linear feet of piping that will transport water from the existing irrigation ditch to a new 150,000 gallon storage pond on cemetery property. The agency estimates the ongoing maintenance costs of the new water system would be minimal with a 20-year warranty on the pond liner, a 40-year life expectancy for the piping, and a 5-year life expectancy for the pump(s), if required. Currently, the Office is awaiting analysis from the State Public Works Division on the pump and right-of-way requirements. The project may not need a pump, but instead rely on gravity to transport the water from the irrigation ditch to the pond.

In the cost-benefit analysis provided by the agency during the Legislative Commission's Budget Subcommittee hearing on January 29, 2015, the agency estimated a 16-year return on investment. However, the cost-benefit analysis did not consider any right-of-way charges, electricity for the potential pump, the cost of a pump and any pump replacement costs. In addition, the analysis only included four out of the eight acres at the cemetery, and assumed a constant price of water usage. The annual water cost has been increasing over the past decade from \$16,745 in FY 2004 to \$56,565 in FY 2013. It should be noted that legislation introduced in the 2015 Session, A.B. 62, would allow an option for xeriscaping at the cemetery, instead of the mandate that all burial sites have green grass. If passed, this could potentially decrease the demand for water, which would increase the return on investment.

In order to provide budget reductions to compensate for the loss of revenue due to revised revenue projections, Budget Amendment A150672560 recommends removal of this decision unit.

Does the Subcommittee wish to approve the elimination of the Northern Nevada Veterans' Memorial Cemetery Water Project in accordance with Budget Amendment A150672560, which would reallocate General Fund appropriations of \$1.2 million over the 2015-17 biennium to be used to offset the reduced revenue in this budget due to revenue re-projections?

Other Closing Items

1. Establish a Cost Allocation (E-250, VETERANS-12): The Governor recommends transfers of \$277,544 in FY 2016 and \$310,077 in FY 2017 from the Southern Nevada Veterans' Home budget to establish a cost allocation for seven positions in the Office of Veterans' Services budget: Director, Deputy Director of Veterans' Health and Wellness (E-230), Administrative Services Officer, Public Information Officer (E-231), IT Manager (E-235), Personnel Officer, and an Administrative Assistant. During the budget hearing, the agency testified that the seven positions support both the Officer of Veterans' Services and the operations of the Home and should be cost allocated against both General Fund appropriations and the Home's revenue sources, which are General Fund independent. The transfer would result in an equivalent reduction in General Fund appropriations in this budget. **This recommendation appears reasonable.**
2. Equipment Replacement (E-710, VETERANS-13): The Governor recommends \$94,712 (\$49,106 General Fund appropriations) in FY 2016 and \$91,177 (\$47,274 General Fund appropriations) in FY 2017 to replace computer related hardware and software and to replace grounds keeping equipment. The following table lists the requested equipment and price in descending order.

Recommended Replacement Equipment		
Equipment Type	Total Count	Total Cost \$
Groundmaster 3280-D Mower	1	25,107
John Deere Gator	1	22,500
Grasshopper Mower	1	21,208
Club Car Carryall 500	2	18,240
Hardware-Desktop Pc W/ Monitor & OS, High Cost	14	17,612
Groundmaster 7200 Mower	1	17,599
Videoconferencing Equipment	1	17,337
Hardware-Laptop Pc With Operating System	9	14,175
Hardware-Server Site File Print / Medium Agency	1	8,511
Symantec DLO Client	2	5,000
Desktop Telephone	6	4,308
Hardware-Cisco Ethernet 24 Port Switch 10/100/1000	2	3,708
Privacy Screens For Computers	27	2,754
Hardware-Printer Local Laser Jet Mono (B & W)	15	2,400
VPN Appliance	2	2,130
Warranty For Phone System	4	1,800
Hardware-Surge Protector W/ Battery Backup	25	1,500
	Total:	185,889

To adjust for the decrease in projected Cemetery/Interment fee revenue, Budget Amendment A150672560 increases the recommended General Fund appropriations by \$282 in the 2015-17 biennium for this equipment. This recommendation appears reasonable.

3. New Equipment for Cemeteries (E-720, VETERANS-13): The Governor recommends \$61,446 (\$31,859 General Fund appropriations) in FY 2016 for a mini excavator for the Northern Nevada Veterans' Memorial Cemetery (NNVMC) and a turf seeder for the SNVMC. In regards to the excavator, the agency indicates that for each casket, cemetery workers open the burial site by digging up the site and lifting the cement cover for the vault. The agency reports that once a burial site is dug, the excavator stays at the site to prevent unnecessary movement over the grass, headstones, and other surroundings. According to the agency, with only one excavator, the NNVMC cannot perform grounds maintenance when preparing, conducting and closing a service. In addition, the agency requests an additional excavator as backup in case the current one breaks down.

In regards to the turf seeder, the agency indicates that currently staff uses a top spreader to spread seed on top of the soil. Then a roller is used to lay a cover over the seed to minimize the amount of seed blowing away in the wind or from becoming bird food. The agency estimates the amount of seed lost to high winds and the birds to be between 35-50 percent of the seed put down each spring and fall. The agency indicates that the new blade seeder will slice the earth, place the seed down in the soil and then cover it with soil, which will reduce seed loss. Additionally, the agency anticipates the seeder will increase worker efficiency by reducing the time it takes to plant grass seeds.

In order to provide budget reductions to compensate for the loss of revenue due revised revenue projections, Budget Amendment A150672560 recommends elimination of this decision unit. This recommendation appears reasonable.

4. Position Reclassifications (E-805 and E-807, VETERANS-14): The Governor recommends a net funding increase of \$3,183 (\$1,383 General Fund appropriations) in FY 2016 and \$3,403 (\$1,482 General Fund appropriations) in FY 2017 to reclassify two positions as follows.
- a. Administrative Services Officer II to an Administrative Services Officer III (E-805) — The Office points to growth within the agency and a forthcoming centralization of the financial unit as factors contributing to the position's increased responsibilities. The agency indicates the recommended reclassification would be reviewed and approved by the Division of Human Resource Management before the reclassification could occur. To adjust for the decrease in projected Cemetery/Interment fee revenue, Budget Amendment A150672560 increases the recommended General Fund appropriations by \$559 in the 2015-17 biennium for this reclassification. This recommendation appears reasonable.
 - b. Administrative Assistant IV to Administrative Assistant III (E-807) — According to the agency, this position would perform fewer tasks than it currently performs contingent upon approval of the new Administrative Assistant for the Deputy Director (E-232, VETERANS-10) and the new Public Information Officer (E-231, VETERANS-9). In response to staff's inquires as to why this position would have fewer duties, the agency indicated that its current support of the Director would be shared with the new Administrative Assistant (E-232). Further, the agency reports the current Administrative Assistant IV performs functions related to support of the Public Information Program, which would be reassigned to the Public Information Officer, if approved. The reclassification would reduce expenditures by \$7,381 (\$3,839 General Fund appropriations) over the 2015-17 biennium. **This recommendation appears reasonable.**

Does the Subcommittee wish to approve all Other Closing Items as recommended by the Governor, including the adjustments noted in Budget Amendment A150672560 with authority for staff to make technical adjustments as necessary?

Capital Improvement Projects

Capital Improvement Projects – 15-C77 and 15-M21 (APPENDIX 4-5): The Governor's recommended budget includes funding for two Capital Improvement Projects (CIP):

- CIP 15-C77 recommends funding of \$48.2 million (\$14.2 million General Fund appropriation) for the construction of the Northern Nevada Veterans' Home.
- CIP 15-M21 recommends General Fund appropriations of \$24,127 for drainage improvements at the Southern Nevada Veterans' Memorial Cemetery in Boulder City.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Public Safety, Natural Resources and Transportation Joint
 Subcommittee
 W03 - WORKING VERSION 3

Title: NDVS – VETERANS HOME ACCOUNT
Account: 101 - 2561

Budget Page: VETERANS-16, Volume III

Revenues	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
BALANCE FORWARD	(1,915,652)	5,610,934	(392.90)	6,117,658	9.03	7,034,774	14.99
FEDERAL FUND	7,076,274	6,550,359	(7.43)	8,827,676	34.77	8,600,007	(2.58)
INTERAGENCY TRANSFER	4,620,011	5,176,874	12.05	5,360,354	3.54	4,646,002	(13.33)
OTHER FUND	6,585,480	5,336,408	(18.97)	5,757,014	7.88	5,187,249	(9.90)
Total Revenues	16,366,113	22,674,575	38.55	26,062,702	14.94	25,468,032	(2.28)
Total FTE		183.49		182.51		182.51	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
E721	00	3574	Remove revenue for new equipment expenditures for a tool that is no longer needed.	(1,508)	
E721	00	3575	Remove revenue for new equipment expenditures for a tool that is no longer needed.	(523)	
E721	00	3802	Remove revenue for new equipment expenditures for a tool that is no longer needed.	(1,042)	
E721	00	3817	Remove revenue for new equipment expenditures for a tool that is no longer needed.	(5)	
E721	00	3860	Remove revenue for new equipment expenditures for a tool that is no longer needed.	(1,236)	
E721	00	4111	Remove revenue for new equipment expenditures for a tool that is no longer needed.	(79)	
E721	00	4200	Remove revenue for new equipment expenditures for a tool that is no longer needed.	(207)	
E730	00	3574	Remove project to replace physical therapy room door due to project completion in FY 15.	(633)	
E730	00	3575	Remove project to replace physical therapy room door due to project completion in FY 15.	(219)	
E730	00	3802	Remove project to replace physical therapy room door due to project completion in FY 15.	(437)	
E730	00	3817	Remove project to replace physical therapy room door due to project completion in FY 15.	(2)	
E730	00	3860	Remove project to replace physical therapy room door due to project completion in FY 15.	(519)	
E730	00	4111	Remove project to replace physical therapy room door due to project completion in FY 15.	(33)	
E730	00	4200	Remove project to replace physical therapy room door due to project completion in FY 15.	(87)	
E734	00	2511	Decrease balance forward to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium.		(17,200)
E734	00	3574	Increase maintenance of building and grounds expenditures to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium.	5,736	(5,736)
E734	00	3575	Increase maintenance of building and grounds expenditures to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium.	2,412	(2,412)
E734	00	3802	Increase maintenance of building and grounds expenditures to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium.	3,682	(3,682)

E734	00	3817	Increase maintenance of building and grounds expenditures to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium.	17	(17)
E734	00	3860	Increase maintenance of building and grounds expenditures to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium.	4,411	(4,411)
E734	00	4111	Increase maintenance of building and grounds expenditures to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium.	272	(272)
E734	00	4200	Increase maintenance of building and grounds expenditures to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium.	970	(970)
Sub-total				10,970	(34,700)
Line Item Changes to Revenues				10,970	(34,700)

Adjustments to Expenditures					
Dec Unit	Cat	GL	Description	2015-16	2016-17
E721	05	8000	Remove revenue for new equipment expenditures for a tool that is no longer needed.	(4,600)	
E730	07	7000	Remove project to replace physical therapy room door due to project completion in FY 15.	(1,930)	
E734	07	7000	Increase maintenance of building and grounds expenditures to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium.	34,700	(17,500)
E734	86	9000	Utilize reserve reductions to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium.	(17,200)	(17,200)
Sub-total				10,970	(34,700)
Line Item Changes to Expenditures				10,970	(34,700)
Total				0	0
Grand Total General Fund Impact of Closing Changes				0	0

Overview

The Nevada State Veterans' Home (Home) is a 180-bed, 24-hour skilled nursing facility located in Boulder City. The Home admitted its first residents in August 2002 and provides a wide range of residential and support services to veterans, their spouses and Gold Star residents (parents of a child who died while in military service). The Executive Budget recommends total funding of \$26.1 million in FY 2016 and \$25.5 million in FY 2017, which represents an increase of 14.9 percent and 12.3 percent, respectively, when compared to the total FY 2015 work program funding of \$22.7 million. The revenue and expenditure projections are based on an average patient census of 175 residents per month. By the end of FY 2017, The Executive Budget projects \$7.7 million in reserves, compared to \$5.6 million at the end of FY 2014, an increase of 37.6 percent.

Major Closing Issues

1. Reserve Growth
2. Maintenance of Buildings and Grounds
3. Replacement Vehicles

Discussion of Major Closing Issues

1. Reserve Growth (Summary, VETERANS-32): The 2011 Legislature approved the Governor's recommendation to eliminate General Fund support for the Veterans' Home budget based on the amount of federal funds and fee revenue projected during the 2011-13 biennium for the care of the

Home's residents. Fiscal Year 2012 was the first year the Home operated without General Fund support, and at the end of that year, the Home's budget had just under \$1.0 million in reserves. The amount grew to \$3.7 million at the end of FY 2013 and to \$5.6 million at the end of FY 2014.

The Executive Budget projects a reserve balance of \$7.0 million in FY 2016 increasing to \$7.7 million at the end of FY 2017. Staff notes that the agency has indicated an appropriate reserve level of \$3.0 million, or 65 days of operating costs, would meet the budgetary needs of the Home. Further, the agency indicated that \$2.0 million currently in reserves is allocated for the furniture, fixtures, and equipment (FFE) for the new Northern Nevada Veterans' Home, which is anticipated to open in the 2017-19 biennium if the CIP funding (CIP #15-C77, APPENDIX-4) is approved by the 2015 Legislature. However, even if \$2.0 million is subtracted from the projected \$7.7 million of reserve at the end of the 2015-17 biennium, the reserve level would be \$5.7 million, which equates to 123 days of reserves.

In response to the Subcommittee's inquiry about the high reserve level, the agency indicated that according to NRS 417.145, the Veterans' Home Account is to be used for the establishment, management, maintenance, and operation of veteran's homes. According to the agency, it plans to use its reserves in support of the new Northern Nevada Veterans Home if more than the \$2.0 million already set aside is needed. In addition, the agency indicates reserves could be used for future maintenance projects, and for planning additional veteran medical/health care housing in Southern Nevada, including the possible expansion of the Home's campus. During the budget hearing, the agency testified that it is able to fund the Home's deferred maintenance projects (M-425, VETERANS-18), which total \$1.2 million in FY 2016, using reserves, instead of going through the CIP process to receive funding.

Does the Subcommittee wish to approve the Governor's recommendation for reserve levels of \$7.0 million in FY 2016 and \$7.7 million in FY 2017 as represented in The Executive Budget? If so, the Subcommittee may wish to consider issuing a letter of intent to have the agency report to the June 2016 Interim Finance Committee meeting concerning the current and projected reserve level in this budget and its plans to address the reserve level if necessary.

2. Maintenance of Building and Grounds (E-730, E-734, VETERANS-30-31): The Governor recommends a combination of federal funds and fee revenue totaling \$181,531 over the 2015-17 biennium for maintenance of building and grounds. More information on each decision module is provided below.
 - A. Physical Therapy Room Remodel and Increase Storage Space (E-730, VETERANS-30): The Governor recommends \$39,710 over the biennium to complete three projects in the physical therapy room and one project to add storage space in the residents' bedrooms.
 - i. Physical Therapy Bathroom Remodel — \$4,500 is recommended to remodel the vanity and install cabinetry in what is now the bathtub area. The agency indicates that currently residents in wheelchairs cannot access the sinks and there is a lack of storage space for staff.
 - ii. Electronic Door Holder in the Physical Therapy Room — The Executive Budget recommends \$1,930 to replace the electronic door holder, which prevents anyone from leaving the physical therapy room in the event a fire alarm goes off. However, the agency indicated that due the safety concern, it will address the issue this fiscal year (FY 2015). Accordingly, this closing document contains an adjustment to remove \$1,930 in FY 2016.
 - iii. Physical Therapy Room Floor — \$9,280 is recommended to replace a 12-year-old floor that receives heavy traffic with wheelchairs and equipment moving across it.

- iv. Resident Window Storage — The agency reports that residents have requested additional storage space in their rooms. In response, The Executive Budget recommends \$24,000 to install a window storage unit in 24 resident rooms. The agency reports that in order to complete the storage request, 24 additional rooms would be recommended for the 2017-19 biennium.
- B. Parking Lot Maintenance (E-731, VETERANS-30): The Governor recommends \$19,859 in FY 2016 to slurry seal and paint the guest and staff parking lot. The agency indicates that the parking lot needs repair due to wind, sun and rain wear. This project was identified in a 2012 Facility Condition Analysis report completed by the Public Works Division. The report recommends a 5-year cycle to maintain integrity of the paving to prevent premature damage. According to the agency, the last seal asphalt paving was completed in 2011.
- C. Re-floor Living Areas and Raise Office Cubicle Height (E-734, VETERANS-31): The Governor recommends \$121,962 over the biennium for five projects that will upgrade hallways, re-floor numerous areas, and raise the height of administration office cubicles.
- i. Install Wainscoting (wood paneling to cover the lower portion of a wall) in Hallways — \$21,189 is recommended to purchase wainscoting for all hallways. The agency indicates the installation will be performed with volunteer labor (Boys Scouts), and is needed to protect the walls from gouging and scrapping from wheelchairs, as well as provide a fire resistant, aesthetically-appealing panel.
 - ii. Re-floor Main Hallways and Small Activity Rooms — \$17,500 is recommended to re-floor three hallways and three small activity rooms that, according to the agency, are dull and soiled due to heavy traffic. After staff's review of the recommendation, the agency indicated that an error was made in the amount: \$52,200 should have been recommended instead of \$17,500. The quote provided in The Executive Budget shows that each hallway and small activity room would cost \$17,400, and the agency indicates three hallways and three activity rooms need new floors. During the testimony, the agency confirmed that the funding recommendation for re-flooring the hallways and activity rooms is understated by \$34,700. This closing document contains an adjustment to increase expenditures by \$34,700 in FY 2016.
 - iii. Re-floor Nurses' Station and Small Dining Room — \$17,500 is recommended in each year of the biennium to re-floor the nurses' station and a small dining room. The agency reports that the existing floor has never properly adhered to the subfloor and creates a constant tripping hazard. After staff's review of the recommendation, the agency indicated that an error was made in the amount: \$17,500 would be used in FY 2016 for the project and an additional \$17,500 is not needed in FY 2017. During the budget hearing testimony, the agency confirmed that the funding recommendation for re-flooring the nurses' station and small dining room is overstated by \$17,500. This closing document contains an adjustment to decrease expenditures by \$17,500 in FY 2017.
 - iv. Re-carpet Administration Offices — \$23,550 is recommended to replace 12-year-old carpet in the administration and staff offices for a total of 15 office spaces. The agency testified that due to its wear, it will soon become a tripping hazard and estimates within a year, it will begin tearing.
 - v. Raise Administration Office Walls — \$24,723 is recommended to increase the cubicle wall height from 64" to 80" in the administration offices to offer staff fewer distractions and more privacy. During the budget hearing, the agency testified that taller cubicle wall height will reduce the noise level for the workers in that space, and will provide more privacy when working with residents' personal health records.

Does the Subcommittee wish to approve the Governor's recommendation to complete three projects in the physical therapy room, one project to add storage space in the residents' bedrooms, one project to slurry seal and paint the guest and staff parking lot, five projects that will upgrade hallways, re-floor numerous areas, and raise the height of administration office cubicles, together totaling \$196,801 over the 2015-17 biennium and includes technical adjustments to remove funding for a project that is no longer needed and correct minor budgeting errors?

3. Replacement Vehicles (E-712, VETERANS-20-21): This recommendation funds the replacement of a 4-door sedan that is currently 14 years old and has approximately 120,000 miles on it. This recommendation also includes two Fleet Services rental vehicles to replace a small van with a small ADA-compliant wheelchair-capable van and an ADA-compliant bus with an ADA-compliant shuttle bus that accommodates 10 seated passengers and 4 wheelchairs. According to the agency, after discussion with the Budget Office and Fleet Services, it was determined that it would be more cost effective for the Home to rent the van and bus from Fleet Services instead of replacing them, in part, because Fleet Services provides for maintenance on vehicles.

Fiscal staff notes that if this recommendation is approved, General Fund appropriations would be used to purchase the van and bus in the Fleet Services budget, instead of revenue generated from the Veterans' Home, which is General Fund independent. As recommended in The Executive Budget, the Home would rent the van and bus from Fleet Services at a yearly cost of approximately \$12,700. Based on this yearly cost, it would take approximately nine years for Fleet Services to recover the cost, not including any fuel and maintenance costs, which are included in the annual rental cost through Fleet Services. The agency indicated to staff that reserve levels are projected to be sufficient to purchase these vehicles.

If the subcommittee wishes to approve three replacement vehicles, it could consider the following options.

- A. **Approve the Governor's recommendation of fees totaling \$36,548 over the 2015-17 biennium to replace a 4-door sedan and rent a small ADA-compliant wheelchair-capable van and an ADA-compliant shuttle bus from Fleet Services.**
- B. **Approve fees and reserve reductions totaling \$134,882 in FY 2016 to fund the purchase of a 4-door sedan, a small ADA-compliant wheelchair-capable van and an ADA-compliant shuttle bus from the Veterans' Home budget, instead of the Fleet Services budget.** If this recommendation is approved, a technical adjustment to decrease General Fund appropriation by \$117,471 would be made in the Fleet Services budget, which closed on April 20, 2015, in the Senate Committee on Finance and the Assembly Committee on Ways and Means.

Other Closing Items

1. Deferred Maintenance (M-425, VETERANS-18): The Governor recommends a combination of federal funds and fees totaling \$1.2 million in FY 2016 for deferred maintenance at the Home as recommended by the State Public Works Division, (Facility Condition Analysis, 2012). Each project is described below.
 - A. Boiler & Water Heater Replacement (\$604,973) - According to the agency, the Home has been cited several times in the past year for hot water temperature control issues and indicates these funds would be used to replace all boilers currently in use at the Home, which have been running continuously for 16 years.

- B. Building Sealing (\$284,937) - The agency indicates that due to ground settling and continuous expansion and contraction of the building's surfaces, cracks have developed between the foundation and metal framing allowing rodents and insects to enter the walls and infest the building. The agency reports that the facility has completed three abatement projects to mitigate damage caused by rodents and insect infestations because of this problem.
 - C. Parking Lot Lighting Replacement (\$47,953) - The agency indicates that the replacement of the parking lot lighting is a cost efficiency measure, and that currently nothing is wrong with the existing lighting; however, it will be 16 years old at the time of replacement, out of a 20-year life expectancy. The agency estimates that new, more efficient LED lights will save approximately \$2,000 per year.
 - D. Interior Door Hardware Replacement (\$212,469) - The agency indicates that due to continuous use, building settling, and environmental factors, the door hardware has been damaged. The agency reports three specific issues. First, some panic hardware mechanisms on many doors have been experiencing failures over the past few years. Second, the interior magnetic door locking hardware is obsolete and parts are no longer available for repair (15 years old). Third, door lock mortise sets are worn, keys are beginning to stick and not open doors easily due to high use of equipment. This recommendation is needed to maintain compliance with the National Fire Protection Association and the Code of Federal Regulations as it relates to the proper maintenance of closing mechanisms.
2. Establish a Cost Allocation (E-250, VETERANS-19): The Governor recommends the transfer of federal funds and fees totaling \$587,621 to the Office of Veterans' Services budget for the costs incurred by that budget related to the functions and activities of the Home. During the budget hearing, the agency testified that seven positions (Director, Deputy Director for Veteran Healthcare, Public Information Officer, IT Manager, Administrative Services Officer, Administrative Assistant and Personnel Officer) that support both the Home and the NDVS operations should be funded with both General Fund appropriations in the Office of Veterans' Services budget and the Home's revenue sources, which are General Fund independent. The Office of Veterans' Services budget contains a corresponding decision unit (E-250, VETERANS-12) to receive these funds. Staff notes this decision unit may need to be adjusted depending upon approval of the new Deputy Director for Veterans' Healthcare (E-230, VETERANS-9), Public Information Officer (E-231, VETERANS-9) and IT manager (E-235, VETERANS-11) in the Office of Veterans Services budget. **This recommendation appears reasonable.**
3. Equipment Replacement (E-710 and E-713-E-719, VETERANS-20-24): The Governor recommends a combination of federal funds and fees totaling \$630,826 over the biennium for replacement equipment at the Southern Nevada Veterans' Home. A summary of the recommended replacement equipment follows.

Southern Nevada Veterans' Home - Replacement Equipment

Decision Unit	Description	2015-17 biennium total in \$
E-710	Computer Hardware and Software: This recommendation provides for the replacement of certain hardware and software, including 353 server licenses, 60 surge protectors, 54 computers, 45 privacy screens, 24 printers, 10 pieces of software, 7 servers, 4 server battery backups, 3 switches, 3 projectors, 3 videoconferencing systems, 1 router, and 1 server rack.	339,754

E-713	Building System Controls: This recommendation would replace the Home's boiler control module, 10 water valves, 8 pump motors, 19 exhaust fans, 2 nurse call annunciators, and perform an eddy current test on the facility's chillers. According to the agency, routine maintenance and replacement of parts are needed for the upkeep of building system controls and equipment.	31,107
E-714	Culinary Equipment: This recommendation would replace various pieces of culinary equipment that will be 14 years old at the time of replacement, including 2 heated holding cabinets, 1 ice machine, 1 kitchen steamer, 1 refrigerator, 1 cool unit for a la carte foods, 1 tilt skillet and 1 kitchen toaster.	46,997
E-715	Washer and Dryer: This recommendation would replace 4 dryers and 2 washing machines that will be 15 years old at the time of replacement.	76,556
E-716	Tables and Chairs: This recommendation would replace 60 office chairs, 40 resident room side chairs, 12 conference room chairs, and 1 conference room table that are over 10 years old.	34,719
E-717	Patio Furniture: This recommendation would replace patio furniture that will be at least 14 years old at the time of replacement, and includes 36 chairs, 8 tables, and 6 accent tables.	17,290
E-718	Personal Care Equipment: This recommendation would replace 5 commode/shower chairs that will be 4-6 years old at the time of replacement, 3 bariatric bathtubs that will be 10-12 years old at the time of replacement, and 4 vital sign machines that will be 4-5 years old at the time of replacement.	55,351
E-719	Living Room Furniture: This recommendation would replace 18 dining room chairs, 6 sofas, 6 end tables, 6 card tables, 3 coffee tables, 3 recliners, 3 activities cabinets, 1 TV set and 1 TV stand that will be 14 years old at the time of replacement.	29,052
TOTAL		630,826

These recommendations appear reasonable.

4. New Equipment (E-720-E-729, VETERANS-25-29): The Governor recommends federal funds and fees totaling \$135,040 over the 2015-17 biennium for new equipment for the Home. Each decision unit is summarized below.

New Equipment Recommended

Decision Unit	Item	2015-17 biennium Total
E-720	Culinary Chopper and Processor - The agency indicates that food chopping and processing is currently performed manually and the addition of this equipment will increase the efficiency of kitchen staff.	9,802
E-721	Pipe Freezing Tool – The agency indicates water line and valve replacement/repairs requires the shutdown of water in various areas or throughout the Home. This tool would allow water pipes 4” in diameter or less to be frozen, which would isolate the area of repair. <u>The agency report this item is no longer needed because the Home has found the equipment for significantly less. A technical adjustment was made to remove \$4,600 for this item.</u>	4,600
E-722	Window Shutters and Pergolas - The NDVS indicates that window shutters previously installed in public areas has reduced light and heat transmitted through the windows and wishes to install 14 shutters in offices and staff lounges. In addition, <u>The Executive Budget</u> recommends 4 landscape shade structures to increase available shaded areas for residents.	38,047

E-723	Exercise Equipment - The agency indicates a need for three pieces of exercise equipment that will be used for resident strengthening and coordination, mostly to improve mobility of residents.	17,205
E-724	Bariatric Assist and Standing Units - The agency reports an increase in the Home's bariatric population and requests a heavy-duty bariatric lift assist with an 800 lb. capacity, and three stand lifts to assist residents who do not have enough mobility to maneuver out of bed easily.	18,315
E-725	Bariatric Chairs and Recliners - With a growing bariatric population, the NDVS indicates seven bariatric chairs and six bariatric recliners are needed to provide seating for residents.	14,589
E-726	Digital Chair Scales - The agency indicates the current process for weighing residents in a wheelchair requires placement in tight quarters. Digital chair scales will allow weighing residents in an easier manner. Three scales are recommended, one for each neighborhood at the Home.	3,324
E-727	Vein Isolation Monitor - The agency reports that nurses have trouble finding the veins of geriatric residents whose medical or age conditions make their veins difficult to identify. A vein isolation monitor will allow nurses to "see" the veins more easily, thus reducing the number of unnecessary needle sticks.	5,880
E-728	Standing Aid - The Governor recommends three standing aids to assist residents stand and move from place to place. According to the agency, this will also protect nursing staff from physically assisting residents while still helping them to stand and move. Three standing aids are recommended for each neighborhood at the Home.	6,090
E-729	40' Long Storage Container, Floor Scrubber and Carpet Cleaning Machine - The agency indicates a 40' foot long onsite storage container is needed to store financial and resident records. The agency reports that the new container would replace an office storage locker that the Home is currently renting. According to the agency, a floor scrubber is recommended to clean vinyl floors in a dining room, and a carpet-cleaning machine is recommended to remove stains that currently cannot be extracted.	17,188
	Total for new equipment	135,040

With the technical adjustment noted by staff, these recommendations appear reasonable.

5. Classified Positions Reclassification (E-805, VETERANS-31): The Governor recommends the reclassification an Administrative Assistant IV to an Administrative Assistant III, which would result in a decrease of \$3,622 in FY 2016 and \$3,791 in FY 2017. The agency reports that when the Home's Administrator was hired in 2014, the workload was redistributed more equitably; therefore, the responsibilities for the Administrative Assistant position have decreased. **This recommendation appears reasonable.**

Staff recommends all Other Closing Items be closed as recommended by the Governor with the technical adjustment noted by staff, and requests authority to make other technical adjustments as necessary.