

**SENATE COMMITTEE ON FINANCE AND
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL
RESOURCES, AND TRANSPORTATION
CLOSING REPORT**

DEPARTMENT OF VETERANS' SERVICES

The Joint Subcommittee on Public Safety, Natural Resources, and Transportation has completed its review of the Department of Veterans' Services budgets and has made the following recommendations for the 2015-17 biennium. The closing recommendations of the Subcommittee resulted in General Fund appropriation increases of \$207,468 in FY 2016 and \$16,210 in FY 2017 over the amounts included in The Executive Budget in accordance with Budget Amendment A150672560. The following comments describe the more significant recommendations of the Joint Subcommittee.

Office of Veterans' Services (101-2560) VETERANS-7: The Subcommittee recommended approval of 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 rejections. The amendment also eliminates the Northern Nevada Veterans' Cemetery water project, and eliminates new equipment purchases for the cemeteries. The Subcommittee also recommended approval of the Governor's amended recommendation of \$350,131

(\$182,068 General Fund appropriations) in FY 2016 and \$477,869 (\$248,492 General Fund appropriations) in FY 2017 for eight new positions, consisting of one Deputy Director, one Public Information Officer, two Administrative Assistants, one Maintenance Repair Worker, two Ground Maintenance Workers, and one IT Manager. The Subcommittee recommends the approval of the other closing items as amended by the Governor, with authority for Fiscal staff to make other technical adjustments as necessary.

Veterans' Home Account (101-2561) VETERANS-16: The Subcommittee recommended approval of 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, and recommended the issuance of 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. The Subcommittee also recommended approval of the Governor's recommendation to complete multiple buildings and grounds maintenance projects totaling \$196,801 over the 2015-17 biennium. Finally, the Subcommittee recommended approval of 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. The Subcommittee recommends the approval of the other closing items as amended by the Governor with authority for Fiscal staff to make technical adjustments as necessary.

Nevada Department of Veterans' Services
General Fund Impacts of Subcommittee Closing

Page	Budget	Title	FY 2016	FY 2017
<u>AS CLOSED BY SUBCOMMITTEE:</u>				
VETERANS-7	101-2560	Office of Veterans Services	207,468	16,210
VETERANS-16	101-2561	*Veterans Home Account	-	-
			207,468	16,210

* No General Fund impact

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?

The Subcommittee recommended approval of 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?

The Subcommittee recommended approval of 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?

The Subcommittee recommended approval of 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?

The Subcommittee recommended approval of 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?

The Subcommittee recommended approval of 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?

The Subcommittee recommended approval of 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?

The Subcommittee recommended approval of 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?

The Subcommittee recommended approval of 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?

The Subcommittee recommended approval of all Other Closing Items as recommended by the Governor, including the adjustments noted in Budget Amendment A150672560, and granted staff 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
Senate Finance and Assembly Ways and Means
Committees Meeting Jointly
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	%	2015-16 GOV REC	%	2016-17 GOV REC	%
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
E712	00	2511	Reserve reduction to purchase a van and bus instead of rent them from Fleet Services.		(111,072)
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	Increase maintenance of building and grounds expenditures (\$34,700) to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium (17,500).		(17,200)
E734	00	3574	Increase maintenance of building and grounds expenditures (\$34,700) to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium (17,500).	5,736	(5,736)
E734	00	3575	Increase maintenance of building and grounds expenditures (\$34,700) to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium (17,500).	2,412	(2,412)

E734	00	3802	Increase maintenance of building and grounds expenditures (\$34,700) to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium (17,500).	3,682	(3,682)
E734	00	3817	Increase maintenance of building and grounds expenditures (\$34,700) to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium (17,500).	17	(17)
E734	00	3860	Increase maintenance of building and grounds expenditures (\$34,700) to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium (17,500).	4,411	(4,411)
E734	00	4111	Increase maintenance of building and grounds expenditures (\$34,700) to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium (17,500).	272	(272)
E734	00	4200	Increase maintenance of building and grounds expenditures (\$34,700) to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium (17,500).	970	(970)

Sub-total				10,970	(145,772)
Line Item Changes to Revenues				10,970	(145,772)

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
E712	05	6000	Purchase a van and bus instead of rent them from Fleet Services.	(6,399)	(12,738)
E712	05	8000	Purchase a van and bus instead of rent them from Fleet Services.	117,471	
E712	86	9000	Reserve reduction to purchase a van and bus instead of rent them from Fleet Services.	(111,072)	(98,334)
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 (\$34,700) to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium (17,500).	34,700	(17,500)
E734	86	9000	Increase maintenance of building and grounds expenditures (\$34,700) to correct re-flooring of 1 hallway to 3 hallways; remove re-flooring of nurses station in both years of the biennium (17,500).	(17,200)	(17,200)

Sub-total				10,970	(145,772)
Line Item Changes to Expenditures				10,970	(145,772)

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

The Subcommittee recommended approval of 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, and recommended 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?

The Subcommittee recommended approval of the Governor's recommendation to complete multiple buildings and grounds projects totaling \$196,801 over the 2015-17 biennium, and include technical adjustments to remove funding for a project that is no longer needed and to 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.

The Subcommittee recommended approval of 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.

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	<u>Computer Hardware and Software:</u> 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	<u>Building System Controls:</u> 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	<u>Culinary Equipment:</u> 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	<u>Washer and Dryer:</u> 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	<u>Tables and Chairs:</u> 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	<u>Patio Furniture:</u> 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	<u>Personal Care Equipment:</u> 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	<u>Living Room Furniture:</u> 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

These recommendations appear reasonable, with the technical adjustment noted by staff.

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.

<p>The Subcommittee recommended approval of all Other Closing Items as recommended by the Governor, with the technical adjustment noted by staff, and granted staff authority to make other technical adjustments as necessary.</p>
