

**MINUTES OF THE MEETING OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND
SENATE COMMITTEE ON FINANCE
SUBCOMMITTEES ON PUBLIC SAFETY, NATURAL RESOURCES, AND
TRANSPORTATION**

**Eighty-Second Session
April 18, 2023**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on Public Safety, Natural Resources, and Transportation was called to order by Chair Howard Watts at 8:04 a.m. on Tuesday, April 18, 2023, in Room 1214 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda [[Exhibit A](#)], the Attendance Roster [[Exhibit B](#)], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/82nd2023.

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblyman Howard Watts, Chair
Assemblywoman Natha C. Anderson, Vice Chair
Assemblywoman Jill Dickman
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Dallas Harris, Chair
Senator Pete Goicoechea
Senator Rochelle T. Nguyen

SUBCOMMITTEE MEMBERS ABSENT:

Assemblywoman Tracy Brown-May (excused)

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Sarah Coffman, Assembly Fiscal Analyst
Alex Haartz, Senate Principal Deputy Fiscal Analyst
Lilliana Camacho-Polkow, Program Analyst
Cynthia Ihejirika, Committee Secretary
Janet Osalvo, Committee Assistant

OTHERS PRESENT:

None

Chair Watts:

[Roll was taken. Subcommittees' rules and protocol were explained.] We have 14 budget closings from the Department of Motor Vehicles (DMV) today. I will now ask our Fiscal staff to walk us through the budget closings for DMV.

**PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - DIRECTOR'S OFFICE (201-4744)
BUDGET PAGE DMV-19**

Lilliana Camacho-Polkow, Program Analyst:

The Subcommittees will be closing 14 Department of Motor Vehicles (DMV) budgets. Of the 14 budgets, 10 have been previously heard, and 4 are staff closed.

The first budget to be closed is the Director's Office budget, 201-4744, which was heard by the Subcommittees on February 21, 2023. The Director's Office is responsible for the general administration of the DMV and oversees 7 divisions. There are no Major Closing Issues in this budget, and there are 3 Other Closing Items. Two items related to position transfers are in the table on page 3 [[Exhibit C](#)], and Other Closing Item 3 is a base budget technical adjustment.

On April 5, 2023, the DMV provided updated revenue projections for kiosk revenue. Fiscal staff entered technical adjustments to reflect these updated revenue projections, which are reflected in the closing adjustments for this budget. This revenue funds a specific expenditure category in this budget, and Fiscal staff aligned the projected revenue with expenditures, which increased revenue and expenditures in this budget by \$210,359 in fiscal year (FY) 2024 and \$213,306 in FY 2025.

Additionally, the Governor's Finance Office and the DMV indicated on March 10, 2023, that there was an unanticipated increase in the contract amount for scanning services, software support, and maintenance. Fiscal staff recommends a technical adjustment to reflect the

updated contract amounts supported with State Highway Fund appropriations. This technical adjustment reduces these expenditures by \$76 in FY 2024 and increases expenditures by \$159 in FY 2025 with corresponding adjustments in Highway Fund appropriations.

Fiscal staff recommends Other Closing Items 1 and 2 be closed as recommended by the Governor, Other Closing Item 3 be closed with the noted technical adjustments, and requests authority for staff to make other technical adjustments as necessary.

Chair Watts:

Subcommittee members, are there any questions on this budget account? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED TO RECOMMEND OTHER CLOSING ITEMS 1 AND 2 BE CLOSED AS RECOMMENDED BY THE GOVERNOR, OTHER CLOSING ITEM 3 BE CLOSED WITH THE NOTED TECHNICAL ADJUSTMENTS, AND GRANT FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Are there any questions on the motion? [There were none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

We will move on to the next budget account.

**PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - ADMINISTRATIVE SERVICES DIVISION (201-4745)
BUDGET PAGE DMV-35**

Lilliana Camacho-Polkow, Program Analyst:

The next budget to be closed is the Administrative Services Division budget, account 201-4745, on page 11 [[Exhibit C](#)], which was heard by the Subcommittees on February 21, 2023. The Administrative Services Division provides support services including revenue collection, purchasing and contracts management, accounting, budgeting, mail services, and facilities management. There is one Major Closing Issue in this budget, and it is the credit card merchant fees.

The Governor recommends credit card merchant fee expenditures of \$11.6 million in fiscal year (FY) 2024 and \$12.4 million in FY 2025. According to the documentation provided in the state's budget system, these expenditures would be funded largely with State Highway Fund appropriations of \$6.2 million in FY 2024 and \$6.8 million in FY 2025, with the remaining funding provided by fee and cost allocation revenue.

The Department incurs fees for transactions paid by credit cards and debit cards. These fees are driven by two factors: 1) the number of credit card and debit card transactions, and 2) the fees charged by Wells Fargo, the state's credit card vendor, to process these transactions.

When calculating expenditures for the 2023-2025 biennium, the Department considered historic trends for credit and debit card transactions and the associated transaction fees. The Department indicates the actual number of Department of Motor Vehicles (DMV) credit and debit card transactions have increased in recent fiscal years, excluding FY 2020 which was affected by the COVID-19 pandemic since the DMV field offices were closed from March 17, 2020, through June 14, 2020. The DMV projects transactions will continue to increase in the 2023-2025 biennium.

The Department further indicates the new transactions that would be added online as a result of the DMV Transformation Effort (DTE) would use the service fee model that would allow the merchant services vendor to collect a fee to cover the credit card costs for those transactions.

For the 2023-2025 biennium, the Governor recommends the DMV maintain the ability to transfer Highway Fund appropriations of up to \$2 million between fiscal years to fund credit card fees, with approval of the Interim Finance Committee (IFC).

During the Department's budget hearing on February 21, 2023, the DMV indicated that as part of the DTE project, many transactions will be transitioned and available online. Along with this transition planned for FY 2026, there will be a corresponding increase in the number of credit card transactions, and the DMV will transition to a fee-based model. The Department indicated the current rate assessed, as established by credit card brands, is 1.95 percent, and the Department indicated it would also accept e-check as an online payment option with no fee. The service fee model would also apply to all debit and credit card transactions completed in DMV field offices, kiosks, and emission stations, and the Department would continue to accept cash, checks, money orders, or cashier checks at no cost to the customer.

The DMV provided revised credit card merchant fee expenditures for the 2023-2025 biennium on April 6, 2023, based on additional expenditure information through March 31, 2023. Updated projections can be found at the top of page 15 [\[Exhibit C\]](#). As illustrated, the Department's updated projections reflect a reduction of \$851,663 over the 2023-2025 biennium, when compared to the amounts in The Executive Budget.

Since the revised DMV projections incorporate the latest expenditure information, the Subcommittees may consider providing Fiscal staff with authority to enter the Department's revised expenditure projections. Fiscal staff also requests authority to enter technical adjustments to adjust the cost allocation that funds a portion of these expenditures with funding from DMV fee-funded budgets since the Department has provided a revised cost allocation.

The Subcommittees could also consider taking action similar to the 2021 Legislature concerning credit card fees, whereby expenditures of \$10 million were approved in each year of the 2021-2023 biennium for credit card fees. In addition, the 2021 Appropriations Act, Assembly Bill 494 of the 81st Session, allowed the DMV to transfer Highway Fund appropriations of up to \$2 million between fiscal years of the 2021-2023 biennium to fund credit card merchant fees with the approval of the IFC.

There is a decision for the Subcommittees on page 16 [[Exhibit C](#)]. The Subcommittees may consider the following options:

- A. Approve the Governor's recommendation for credit card fees and provide Fiscal staff with authority to make technical adjustments to reflect expenditures of \$11.2 million in FY 2024 and \$12.0 million in FY 2025 based on the Department's updated projections. When compared to the amounts in The Executive Budget, this option would result in a reduction in Highway Fund appropriations of \$851,663 over the 2023-2025 biennium. In addition, approve the Governor's recommendation to provide the DMV with the ability to transfer Highway Fund appropriations of up to \$2 million between fiscal years of the 2023-2025 biennium to fund credit card fees, with approval of the IFC.
- B. Approve the Department's revised FY 2024 credit card fee projections of \$11.2 million in both FY 2024 and FY 2025 and provide the Department with authority to transfer Highway Fund appropriations up to \$2 million between each fiscal year in the 2023-2025 biennium to fund credit card fees. When compared to the amounts in The Executive Budget, this option would result in a decrease in Highway Fund appropriations of \$1.6 million over the 2023-2025 biennium; however, this may increase the likelihood of the Department requesting a supplemental Highway Fund appropriation during the 2025 Legislative Session.

Fiscal staff requests authority to enter any necessary technical adjustments including updates to the cost allocation for the fee-funded budgets and incorporating back language in the 2023 Appropriations Act based on the action of the Subcommittees.

Chair Watts:

Members, are there any questions on this decision?

Senator Goicoechea:

We seem to be shifting a lot of money out of the Highway Fund. With Option B and the other things that are on the table which could decrease the Highway Fund, I am concerned about the additional demand we are putting on it. It is a huge impact. Are we still looking at a gas tax holiday?

Chair Watts:

Option B is very similar to the action that we took during the last legislative session. Though we do not know if there will be a need for a supplemental appropriation in the next biennium; we did not need it in this biennium. That option ended up working out well, and it was revised based on the estimates we have from the Department at this time.

Senator Harris:

It is my understanding under Option B, we would be taking less from the Highway Fund, currently, without any foresight of whether we would need supplemental funds for the DMV. They can come to the IFC, or the money committees, in the next legislative session to request additional funds, if needed.

Senator Goicoechea:

I am trying to weigh this out in my mind just like everyone else on the Subcommittees.

Chair Watts:

I understand that Senator, and I have comfort knowing that this is something that we did during the last biennium, so it is not a new accounting mechanism. Though it is not guaranteed to work out the same way in the next biennium, during this biennium, it worked out quite well.

Members, are there any additional questions? [There were none.] I will entertain a motion.

SENATOR HARRIS MOVED THAT THE SUBCOMMITTEES RECOMMEND APPROVAL OF THE DEPARTMENT'S REVISED FY 2024 CREDIT CARD FEE PROJECTIONS OF \$11.2 MILLION IN BOTH FY 2024 AND FY 2025 AND PROVIDE THE DEPARTMENT WITH AUTHORITY TO TRANSFER HIGHWAY FUND APPROPRIATIONS UP TO \$2 MILLION BETWEEN EACH FISCAL YEAR IN THE 2023-2025 BIENNIUM TO FUND CREDIT CARD FEES, AND GRANT FISCAL STAFF AUTHORITY TO ENTER ANY NECESSARY TECHNICAL ADJUSTMENTS, INCLUDING UPDATES TO THE COST ALLOCATION FOR THE FEE-FUNDED BUDGETS AND INCORPORATING BACK LANGUAGE IN THE 2023 APPROPRIATIONS ACT, BASED ON THE ACTION OF THE SUBCOMMITTEES.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Chair Watts:

I have a motion and a second. Is there any discussion on the motion?

Assemblyman Hafen:

I will not be able to support Option B at this time. There is a difference of approximately \$850,000 in the Highway Fund, and I have concerns because there are several highways that need to either be expanded or repaired, and I prefer to keep that money in the Highway Fund.

Chair Watts:

For clarification, the money stays in the Highway Fund. This is decreasing the amount dedicated to this, which frees up the money for other purposes. Is there any other discussion on the motion?

Senator Harris:

I will note that we are taking less from the Highway Fund under Option B than we would under Option A.

Chair Watts:

Yes, and those funds are not transferred outside of the Highway Fund. They are still Highway Fund dollars that can only be used for approved Highway Fund purposes.

Assemblyman Hafen:

I appreciate that explanation. I think I am good now.

Chair Watts:

Is there any additional discussion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

Lilliana Camacho-Polkow:

There are 6 Other Closing Items in this budget. The first 4 Other Closing Items are included in the table on page 16 with 3 addressing vehicles and 1 covering position transfers [[Exhibit C](#)].

Other Closing Item 5 is an adjusted base budget issue. In the base budget, the Governor recommends Driver License fee revenue of \$3.6 million in FY 2024 and \$3.7 million in FY 2025 for the cost of driver license photos. This revenue funds the vendor cost that is reflected in the driver license photos expenditure category in this budget, and the revenue and expenditures should align. However, The Executive Budget reflects expenditures of \$3.2 million in FY 2024 and \$3.3 million in FY 2025. Additionally, on April 5, 2023, the DMV provided updated revenue projections for the title processing fee and driver license photo fee revenue. The updated revenue projections included alignment of the revenue with

the driver license photo expenditure category and are reflected in the closing adjustments for this budget, which increased Highway Fund appropriations by \$721,709 in FY 2024 and \$845,124 in FY 2025.

The Governor's Finance Office and the DMV indicated on March 10, 2023, that there was an unanticipated increase in the contract amount for scanning service, software support, and maintenance. Fiscal staff recommends a technical adjustment to reflect the updated contract amounts supported with Highway Fund appropriations. This technical adjustment increases these expenditures by \$2,186 in FY 2024 and \$4,522 in FY 2025 with a corresponding increase in Highway Fund appropriations. In addition, the Governor's Finance Office and the DMV indicated there would be a 6 percent increase in the cost of armored car service, which increased this expenditure by \$176 in FY 2024 and \$363 in FY 2025, with a corresponding increase in Highway Fund appropriations.

The IFC, at its January 31, 2023 meeting, approved increasing the third-party registration printing expenditures to \$291,047 in FY 2023. The DMV indicated on April 10, 2023, that these increases in third-party registration printing expenditures will continue through the 2023-2025 biennium. Accordingly, Fiscal staff requests authority to enter technical adjustments to reflect similar contract amounts of \$291,047 in each year of the 2023-2025 biennium, supported with additional Highway Fund appropriations of \$101,485 in each year of the FY 2023-2025 biennium.

Other Closing Item 6 is rent for the Sahara field office in Las Vegas. The Governor's Finance Office indicates there may be revisions to the distribution of the Buildings and Grounds rent charged to the DMV budget for the Sahara field office in Las Vegas. Fiscal staff continues to work with the Governor's Finance Office on this issue and requests authority to enter any necessary technical adjustments.

Fiscal staff recommends Other Closing Items 1 through 4 be closed as recommended by the Governor, and Other Closing Items 5 and 6 be closed with the noted technical adjustments. Fiscal staff requests authority to make technical adjustments as necessary.

Chair Watts:

Are there any questions on the Other Closing Items? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED TO RECOMMEND OTHER CLOSING ITEMS 1 THROUGH 4 BE CLOSED AS RECOMMENDED BY THE GOVERNOR, OTHER CLOSING ITEMS 5 AND 6 BE CLOSED WITH THE NOTED TECHNICAL ADJUSTMENTS, AND GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS
ABSENT FOR THE VOTE.)

We will now move on to the next budget account.

PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - COMPLIANCE ENFORCEMENT (201-4740)
BUDGET PAGE DMV-40

Lilliana Camacho-Polkow, Program Analyst:

The next budget to be closed is the DMV Compliance Enforcement budget, 201-4740, which was heard by the Subcommittees on February 21, 2023 [page 19, [Exhibit C](#)]. The Compliance Enforcement Division (CED) is the regulatory arm of the Department of Motor Vehicles (DMV). The primary purpose of the CED is to support the activities of Division investigators regulating the automobile industry as it relates to the sale or transfer of ownership of vehicles.

There is one Major Closing Issue in this budget. The Governor recommends Highway Fund appropriations of \$260,803 over the 2023-2025 biennium for two new motor vehicle appraiser positions and associated expenditures. One position would be for the Carson City field office and the other would be for the Sahara field office in Las Vegas. Motor vehicle appraiser positions appraise motor vehicles in wrecking and tow yards, determine vehicle values, and prepare various reports and forms. The new motor vehicle appraiser position would assist customers with the sale of vehicles with liens; inspect, assign, and restore vehicle identification numbers; and assist with the registration and licensing of vehicles.

The Department indicates DMV services manager positions at these field offices currently perform these appraiser duties. This work is performed in the field requiring the positions to travel to tow yards, wrecking yards, and other locations. If the Governor's recommendation is approved, each new motor vehicle appraiser would also be assigned a new Fleet Services Division vehicle to complete their individual assignments.

During the budget hearing on February 21, 2023, the Department indicated if approved, the two new motor vehicle appraiser positions would assist the DMV in maintaining streamlined processes for the motor vehicle industry and serve the needs of the state's growing population. The DMV also indicated the addition of these two positions would provide the two existing DMV services manager positions with additional time to focus on their supervisory duties.

Do the Subcommittees wish to recommend approval of the Governor's recommendation for Highway Fund appropriations of \$260,803 over the 2023-2025 biennium for two new motor vehicle appraiser positions and associated expenditures? Fiscal staff requests authority to enter technical adjustments as necessary.

Chair Watts:

Members, are there any questions on this Major Closing Issue? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED THAT THE SUBCOMMITTEES RECOMMEND APPROVAL OF THE GOVERNOR'S RECOMMENDATION FOR HIGHWAY FUND APPROPRIATIONS OF \$260,803 OVER THE 2023-2025 BIENNIUM FOR TWO NEW MOTOR VEHICLE APPRAISER POSITIONS AND ASSOCIATED EXPENDITURES, AND GRANT FISCAL STAFF AUTHORITY TO ENTER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

Lilliana Camacho-Polkow:

There are six Other Closing Items in this budget.

- Other Closing Item 1 is for out-of-state travel.
- Other Closing Item 2 is the base budget technical adjustment for the unanticipated increase in scanning services, software support, and maintenance, as discussed earlier. Fiscal staff requests authority to enter technical adjustments of \$404 in FY 2024 and \$837 in FY 2025 with a corresponding increase in Highway Fund appropriations.
- Other Closing Item 3 is rent for the Sahara field office; the rent discrepancy discussed earlier. Fiscal staff requests authority to enter any necessary technical adjustments.
- Other Closing Item 4 is a budget amendment for dash cameras. Budget Amendment A230734740 was submitted by the Governor's Finance Office on March 7, 2023, and recommends Highway Fund appropriations of \$114,460 in FY 2024 and \$4,799 in FY 2025 to fund the purchase and ongoing operational costs for 10 dash cameras and associated equipment for sworn law enforcement officers who perform patrol.

- Other Closing Item 5 is for body cameras. Budget Amendment A230594740, submitted by the Governor's Finance Office on March 8, 2023, recommends a Highway Fund appropriation of \$59,520 in FY 2024 to fund the purchase of 10 body cameras for sworn law enforcement officers who perform patrol.
- Other Closing Item 6 is a budget amendment for sworn position salary increases. Budget Amendment A232004740 was submitted by the Governor's Finance Office on March 9, 2023, and recommends Highway Fund appropriations of \$171,694 and cost allocation revenue of \$6,581 over the 2023-2025 biennium to fund a one-grade increase for 13 compliance/enforcement investigator positions and 3 supervisory compliance/enforcement investigator positions. This recommendation will be considered by the money committees when all other statewide decision units, including compensation, are discussed.

Fiscal staff recommends Other Closing Item 1 be closed as recommended by the Governor, Other Closing Items 2 and 3 be closed with the noted technical adjustments, Other Closing Items 4 and 5 be closed as recommended in the submitted budget amendments, and Other Closing Item 6 be deferred for consideration and discussed during the statewide decision units closing, where other statewide grade increases will be considered, and requests authority for staff to make other technical adjustments as necessary.

Chair Watts:

Members, are there any questions on the Other Closing Items? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED THAT THE SUBCOMMITTEES RECOMMEND OTHER CLOSING ITEM 1 BE CLOSED AS RECOMMENDED BY THE GOVERNOR, OTHER CLOSING ITEMS 2 AND 3 BE CLOSED WITH THE NOTED TECHNICAL ADJUSTMENTS, OTHER CLOSING ITEMS 4 AND 5 BE CLOSED AS RECOMMENDED IN THE SUBMITTED BUDGET AMENDMENTS, AND OTHER CLOSING ITEM 6 BE DEFERRED FOR CONSIDERATION AND DISCUSSED DURING THE STATEWIDE DECISION UNITS CLOSING, WHERE OTHER STATEWIDE GRADE INCREASES WILL BE CONSIDERED, AND GRANT FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

We will now move on to the next budget.

PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - LICENSE PLATE FACTORY (201-4712)
BUDGET PAGE DMV-55

Lilliana Camacho-Polkow, Program Analyst:

The next budget to be closed is the DMV License Plate Factory, budget account 201-4712, which was heard by the Subcommittees on February 21, 2023 [page 23, [Exhibit C](#)].

The License Plate Factory budget supports the license plate factory, which is operated by the Division of Central Services and Records of the Department of Motor Vehicles (DMV). To allow the manufacturing of license plates to be a self-supporting activity, *Nevada Revised Statutes* (NRS) 482.268 provides the Department with authority to establish a license plate fee through regulation. Currently, for the 2023-2025 biennium, the fee is \$3 per license plate, with *Nevada Administrative Code* (NAC) 482.295 currently providing the DMV with authority to increase this fee up to \$5 per license plate.

There is one Major Closing Issue in this budget, and it is the eight-year license plate reissue. The Governor recommends \$9.4 million in expenditures, excluding reserves, to fund six positions, materials, and associated costs for the production of license plates for the 2023-2025 biennium.

The DMV, pursuant to NRS 482.265(2), shall every eight years reissue most license plates at the time of renewal. During the COVID-19 pandemic, the license plate reissue process was suspended, and reissues resumed in November 2021, which caused a backlog. The DMV indicates supply chain issues on raw materials have also affected the number of total license plates the license plate factory could manufacture.

The license plate factory produces approximately 250 reissue plates per day and identifies the oldest reissue requests first and will then move toward current reissue dates. There are currently 191,621 license plates in the backlog, and to eliminate the backlog, the license plate factory would need to produce approximately 800 plates per day. However, the license plate factory cannot acquire sufficient aluminum and sheeting materials to produce 800 reissue license plates per day.

If license plates turn eight years old and are due for reissue during FY 2024 and FY 2025, the DMV indicated it cannot guarantee the reissue plates will be manufactured and distributed with the annual registration renewal in those fiscal years. Therefore, the DMV provided revised license plate projections reflecting the removal of the eight-year license plate reissuance.

Fiscal staff discussed this issue with LCB Legal staff, and it was indicated a statutory change may be needed to temporarily relieve the DMV from the eight-year reissue requirement currently required in statute.

During the Department's budget hearing on February 21, 2023, the Department indicated it anticipates the aluminum and sheeting material supply chain issues to continue into the next calendar year, as its raw material vendors continue to experience difficulties obtaining materials. The Department further indicated it is proposing to eliminate the required eight-year reissuance requirement, and only reissue license plates when requested by a customer, or when a citation is issued by law enforcement.

Assembly Bill 457 as introduced, removes the requirement in Chapter 482 of NRS for the reissuance of certain license plates every eight years. This bill was heard and passed by the Assembly Committee on Growth and Infrastructure on April 11, 2023. Upon second reading, A.B. 457 was referred to the Assembly Committee on Ways and Means on April 13, 2023.

Budget Amendment A231334712 was submitted by the Governor's Finance Office on March 7, 2023, and recommends a reduction in license plate fee revenue of \$652,082, a reduction in special plate cost allocation revenue of \$111,665, and reduction in reserves of \$296,766 over the 2023-2025 biennium to reflect the elimination of the eight-year license plate reissuance requirement as proposed in Assembly Bill 457. In addition, the Governor's Finance Office and the DMV indicated on March 17, 2023, that there was an unanticipated increase of 4 percent in the cost of materials for manufacturing license plates.

Fiscal staff recalculated material expenditures and provided updated calculations to account for a 4 percent increase in material costs, with which the DMV agrees [page 25, [Exhibit C](#)]. Accordingly, if the Subcommittees wish to recommend adjusting budgeted revenue and expenditure authority to reflect elimination of the license plate reissuance requirement contingent upon passage and approval of A.B. 457, or other enabling legislation, Fiscal staff requests authority to enter Budget Amendment A231334712 and the 4 percent material cost increase with the noted technical adjustments.

Additionally, as indicated in the table on page 25 [[Exhibit C](#)], inclusive of the proposed budget amendment to eliminate revenues and expenditures tied to the license plate reissuance, the updated calculations indicate the reserve amount would decrease to \$547,659 in FY 2025. However, historically this budget has maintained a minimum reserve level of \$1 million, which the DMV confirmed is an appropriate level of reserve to accommodate changes in materials costs. As such, it appears an increase to the current \$3 per license plate fee may be needed in order to maintain the \$1 million reserve level in this budget. The DMV further confirmed a fee increase of \$0.25 per plate at the projected standard plate production, not including the reissuance of license plates, would amount to approximately \$462,660 in additional revenue over the 2023-2025 biennium, therefore resulting in a FY 2025 reserve amount of \$1 million as illustrated in the table on page 25.

The DMV further indicates due to the timing and approval of Assembly Bill 457, it would possibly implement the new license plate cost in the first quarter of FY 2024, pursuant to its authority provided in NAC 482.295.

The options for the Subcommittees to consider are on page 26.

Do the Subcommittees wish to:

- A. Recommend approval of the Governor's recommendations for revenue and expenditures in the License Plate Factory budget for the 2023-2025 biennium. If this option is approved, Fiscal staff recommends approval of the noted technical adjustments that account for a 4 percent increase in materials costs. This option may require an increase in the license plate fee.

- B. Recommend approval of the Governor's recommendations for revenue and expenditures in the License Plate Factory budget for the 2023-2025 biennium and approve Budget Amendment A231334712, which recommends a reduction in license plate fee revenue of \$111,665, a reduction in special plate cost allocation revenue of \$652,082, and reduction in reserves of \$144,819 over the 2023-2025 biennium associated with the elimination of the eight-year license plate reissuances. If this option is approved, Fiscal staff would recommend approval of the noted technical adjustments that include a 4 percent increase in material costs. This option is contingent upon passage and approval of Assembly Bill 457, or other enabling legislation, to eliminate the eight-year license plate reissuance requirement.

Fiscal staff requests authority to enter other technical adjustments as necessary based on the Subcommittees' decision.

Chair Watts:

I am interested in moving forward with Option B. We discussed some of this with members who also serve on the Assembly Growth and Infrastructure Committee when this bill came to us, and now it is in the Assembly Committee on Ways and Means. Members, are there any additional comments or questions about this item?

Senator Goicoechea:

Chair Watts, is the bill still alive then?

Chair Watts:

Yes, it is. It was moved out of the Assembly Committee on Growth and Infrastructure, and it is currently in the Assembly Committee on Ways and Means.

Assemblywoman Dickman:

This might be an offline question, but why does the bill have to go to Ways and Means if it is a revenue reduction? Is it that if it has anything to do with revenue, then it goes to Ways and Means?

Sarah Coffman, Assembly Fiscal Analyst:

According to Joint Standing Rule 14.6, if there is a reduction in revenues, that is one of the things that we look at in determining if it is eligible for exemption. So, that eligibility for exemption was placed on the bill and once it moved out, it was brought into Ways and Means as a result of that.

Chair Watts:

As our recommendations come back to the full Committees, and as we get closer to finishing the budget, hopefully all these things can come together and move forward. Are there any additional questions or comments on this? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED TO RECOMMEND APPROVAL OF THE GOVERNOR'S RECOMMENDATIONS FOR REVENUE AND EXPENDITURES IN THE LICENSE PLATE FACTORY BUDGET FOR THE 2023-2025 BIENNIUM AND APPROVE BUDGET AMENDMENT A231334712, WHICH RECOMMENDS A REDUCTION IN LICENSE PLATE FEE REVENUE OF \$111,665, A REDUCTION IN SPECIAL PLATE COST ALLOCATION REVENUE OF \$652,082, AND REDUCTION IN RESERVES OF \$144,819 OVER THE 2023-2025 BIENNIUM ASSOCIATED WITH THE ELIMINATION OF THE EIGHT-YEAR LICENSE PLATE REISSUANCES, AND GRANT FISCAL STAFF AUTHORITY TO ENTER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

Lilliana Camacho-Polkow:

There are four Other Closing Items in the table on page 26 [[Exhibit C](#)]. They include agency-specific inflation, replacement vehicles, and equipment replacement. Fiscal staff recommends Other Closing Items 1 through 4 be closed as recommended by the Governor and requests authority for staff to make other technical adjustments as necessary.

Chair Watts:

Members, are there any questions on the Other Closing Items? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED THAT THE SUBCOMMITTEES RECOMMEND OTHER CLOSING ITEMS 1 AND 2 BE CLOSED AS RECOMMENDED BY THE GOVERNOR, ITEMS 3 AND 4 BE CLOSED WITH THE NOTED TECHNICAL ADJUSTMENTS, ITEM 5 AS RECOMMENDED THROUGH THE BUDGET AMENDMENT AND ALSO GRANT STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

SENATOR HARRIS MOVED TO RESCIND THE PREVIOUS MOTION FOR THE OTHER CLOSING ITEMS IN BUDGET 201-4712.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION

I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

SENATOR HARRIS MOVED THAT THE SUBCOMMITTEES RECOMMEND OTHER CLOSING ITEMS 1 THROUGH 4 BE CLOSED AS RECOMMENDED BY THE GOVERNOR AND GRANT FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

We will now move on to the next budget.

**PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - FIELD SERVICES (201-4735)
BUDGET PAGE DMV-70**

Lilliana Camacho-Polkow, Program Analyst:

The next budget to be closed is the DMV Field Services budget, 201-4735, which was heard by the Subcommittees on February 21, 2023 [page 29, [Exhibit C](#)].

The Field Services Division is responsible for direct customer services operations of the driver licensing and vehicle registration functions. There are no Major Closing Issues in this budget, but there are five Other Closing Items.

- Other Closing Items 1 and 2 are replacement vehicles as noted in the table on page 29 [\[Exhibit C\]](#).
- Other Closing Item 3 is a base budget technical adjustment. On April 5, 2023, the DMV provided updated revenue projections for Governmental Services Tax Commission and Penalties and Agreement Income revenue. The updated revenue projections are reflected in the closing adjustments for this budget, which increase State Highway Fund appropriations by \$25,283 in FY 2024 and \$26,690 in FY 2025. As previously indicated, there was an unanticipated increase in the contract amount for scanning services and Fiscal staff requests authority to enter a technical adjustment to increase information services expenditures by \$1,004 in FY 2024 and \$2,078 in FY 2025 with a corresponding increase in Highway Fund appropriations.
- Other Closing Item 4 is the Sahara field office rent discrepancy as discussed earlier, and Fiscal staff requests authority to enter necessary technical adjustments for this item.
- Other Closing Item 5 is Budget Amendment A230784735 which was submitted by the Governor's Finance Office on March 8, 2023, and recommends Highway Fund appropriations of \$115,197 in each year of the 2023-2025 biennium to fund the use of the State-to-State data service from the American Association of Motor Vehicle Administrators. The Department of Motor Vehicles (DMV) indicates this service would allow the Department to validate an individual's identity in other states that also utilize the service, which ensures the individual does not have violations preventing eligibility for a driver license.

Fiscal staff recommends Other Closing Items 1 and 2 be closed as recommended by the Governor, Other Closing Items 3 and 4 be closed with the noted technical adjustments, Other Closing Item 5 as recommended through the budget amendment, and requests authority for staff to make other technical adjustments as necessary.

Chair Watts:

Before I open it up to others, I want to briefly note my appreciation to DMV staff for providing some follow-up information in this budget account related to the issues with retention of technician positions that serve as our frontline workers helping customers in the DMV offices. The information indicated that a substantial number of those who are leaving for other positions in the state are getting at least a one-grade pay bump by moving to other agencies. While we do not have any decision units related to this, I feel it is important to put that on the record and appreciate that we received the information that supports that.

Even though we are hoping to make some substantial investments in our state employees this session, if we do not address some of those disparities, we are going to continue to see customer service at the DMV suffer as people move on, taking those skill sets into other positions in the state that offer higher compensation. Thank you, again, for sending that information. I hope it leads to some discussions addressing some of those discrepancies moving forward.

Members, are there any other questions or comments?

Assemblyman Hafen:

I have a comment on the Silverado Ranch Boulevard facility project. In the past I have not been supportive of this. I think it is a bad location for the Commercial Driver's License (CDL) traffic to be going in. Right now, we have serious congestion on Highway 160 which will be one of the two routes that will be used for the CDLs and the semitrucks. I have some serious concerns with spending \$106 million on a location when I do not know if we are going to be able to get traffic in and out of there. I would have preferred to see this project built in Jean, or in North Las Vegas in the Apex Regional Landfill area, to keep the truck traffic away from the city, and away from the residential homes. So, I do have some concerns with that Capital Improvement Project portion.

Additionally, I have a question regarding the increase in the nonoffice transactions and the decrease in office transactions. Are those being utilized through third-party vendors, or is that a result of people migrating over to the online system?

Chair Watts:

We might need to get some additional follow-up from the agency. I am not sure if we have additional details beyond what is in the follow-up information in our packets here.

Assemblyman Hafen:

I would like for us to get the information. I am a big supporter of using third-party vendors when we can. We have an issue with compensating our staff at the DMV, which, I do believe, absolutely needs to be addressed. If we can use third-party vendors to get us

through, I think it would be a good thing. I do not see any budget items in here, and I am wondering if there is a cost savings for that. I would appreciate it if we could get some follow-up on that.

Chair Watts:

This is an issue I have also raised with the Department, although I cannot recall if it is in this Subcommittee or in the Assembly Growth and Infrastructure Committee. It is my interest, as well, to make sure that is part of the equation; to take care of customers at the DMV. With that, to the DMV, this is a note to continue to keep in mind and potentially follow up; however, I do not think it is necessary for you to come forward at this time.

Members, is there any other discussion on the Other Closing Items? [There was no other discussion.] I will accept a motion.

SENATOR HARRIS MOVED THAT THE SUBCOMMITTEES RECOMMEND OTHER CLOSING ITEMS 1 AND 2 BE CLOSED AS RECOMMENDED BY THE GOVERNOR, OTHER CLOSING ITEMS 3 AND 4 BE CLOSED WITH THE NOTED TECHNICAL ADJUSTMENTS, OTHER CLOSING ITEM 5 BE CLOSED AS RECOMMENDED THROUGH THE BUDGET AMENDMENT, AND GRANT FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYMAN HAFEN VOTED NO. ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

We will now move on to the next budget.

**PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - MOTOR CARRIER DIVISION (201-4717)
BUDGET PAGE DMV-74**

Lilliana Camacho-Polkow, Program Analyst:

The next budget to be closed is the Motor Carrier Division, budget 201-4717, which was heard by the Subcommittees on February 21, 2023. The Motor Carrier Division of the Department of Motor Vehicles (DMV) is responsible for ensuring compliance with Nevada's fuel tax laws for special fuel and motor fuel suppliers and motor carriers, and for the collection of special fuel taxes.

There are no Major Closing Issues in this budget and there are two Other Closing Items. Other Closing Item 1 is a vehicle transfer and Other Closing Item 2 is an adjusted base budget issue.

In the base budget, the Governor recommends cost allocation revenue of \$642,458 in FY 2024 and \$673,341 in FY 2025 for the cost to administer motor fuel tax revenue. This revenue, along with State Highway Fund appropriations, fund the personnel and operational costs associated with the collection of fuel industry related fees. On April 10, 2023, the DMV provided updated cost allocation revenue projections, which reflected an increase in this revenue of \$102,590 in FY 2024 and \$98,914 in FY 2025, with a corresponding decrease in Highway Fund appropriations.

On April 5, 2023, the DMV provided updated revenue projections for International Fuel Tax Agreement license fee revenue. Fiscal staff recommend technical adjustments to reflect these updated revenue projections, which are reflected in the closing adjustments for this budget and increase Highway Fund appropriations by \$23,673 in FY 2024 and \$26,838 in FY 2025.

On April 12, 2023, the DMV provided clarification on the revenue projections for reimbursements and prior year refunds revenue. Fiscal staff recommends technical adjustments to reflect updated Highway Fund appropriations in this budget by \$23,000 in each year of the 2023-2025 biennium.

As previously indicated, an unanticipated increase in the contract amount for scanning services was received on March 10, 2023. Fiscal staff recommends a technical adjustment and requests authority to increase these expenditures by \$298 in FY 2024 and \$615 in FY 2025 with corresponding increases in Highway Fund appropriations.

Fiscal staff recommends Other Closing Item 1 be closed as recommended by the Governor, and Other Closing Item 2 be closed with the noted technical adjustments, and requests authority for staff to make other technical adjustments, as necessary.

Chair Watts:

Members, are there any questions or comments on these Other Closing Items? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED THAT THE SUBCOMMITTEES RECOMMEND OTHER CLOSING ITEM 1 BE CLOSED AS RECOMMENDED BY THE GOVERNOR, OTHER CLOSING ITEM 2 BE CLOSED WITH THE NOTED TECHNICAL ADJUSTMENTS, AND GRANT FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

We will now move on to our next budget.

PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - DEPARTMENT TRANSFORMATION EFFORT (201-4716)
BUDGET PAGE DMV-15

Lilliana Camacho-Polkow, Program Analyst:

The next budget to be closed is the Department Transformation Effort budget, 201-4716, which was heard by the Subcommittees on March 29, 2023 [page 39, [Exhibit C](#)]. The Department Transformation Effort budget was established to isolate the expenditures associated with the replacement of the Department of Motor Vehicles (DMV) current Common Business Oriented Language (COBOL) mainframe computer system.

There is one Major Closing Issue in this budget. The Governor recommends State Highway Fund appropriations of \$58.8 million and Technology Fee revenue of \$10,000—attributed to projected debt collections for transactions prior to FY 2021—over the 2023-2025 biennium to continue the DMV’s Department Transformation Effort (DTE) to replace the Department’s existing computer system. To further support this project, Budget Amendment A230604716 was submitted on March 7, 2023, which recommends additional Highway Fund appropriations of \$14.3 million over the 2023-2025 biennium for implementation costs that were omitted from The Executive Budget.

The Executive Budget recommends the continuation of the DMV’s DTE in the 2023-2025 biennium with the following budget recommendations:

- Continuation of 29 state positions.
- Continuation of 20 master service agreement (MSA) contract positions.
- Continuation of contract and vendor service expenditures for system implementation.
- Various operating, training, and travel expenditures for system implementation.

Budget Amendment A230604716 funds additional MSA contract positions and additional contract and vendor service expenditures for system implementation.

The DMV indicates a recent change in the approach previously used by the Department is planned, from incrementally implementing a virtual field office over four years, to a unified release approach. The Department further indicates its efforts are now organized along activities needed to accomplish the unified release of products. It is using a flexible methodology to implement the DTE and has created a rudimentary product for a release date in early FY 2026.

The Department projects the cost of the DTE will now total \$125.8 million, which is an increase of \$10.9 million when compared to the projected cost indicated during the 2021 Legislative Session, and an extended implementation date now into FY 2026. The table on page 42 [\[Exhibit C\]](#) provides revised expenditure projections by category. Updated planned expenditures for FY 2023 through FY 2026 are also provided at the top of page 43 [\[Exhibit C\]](#).

Some funding recommendations, as stated before, include the full-time state positions, funding for in-state travel, funding for training, operating, master service agreements, and contracts and software.

The budget amendment previously mentioned recommends funding of \$3.6 million over the 2023-2025 biennium for additional MSA contractors—12 in FY 2024 and 8 in FY 2025. The budget amendment also recommends funding of \$10.7 million over the 2023-2025 biennium in addition to the funding in the base budget and decision unit enhancement 550 for various contract and/or services that would support the DTE, which would provide total funding of \$54.5 million over the 2023-2025 biennium. The Department provided details regarding the contract, software, and hardware expenditures as provided in the table on page 44 [\[Exhibit C\]](#).

During the Department's budget hearing on March 29, 2023, the Department indicated it launched an artificial intelligence chatbot feature on its website in December 2022, to help answer questions from the public. The Spanish translation portion of the DMV chatbot was launched in February 2023.

The Department indicated a continued need for the 29 state positions once the DTE project is implemented due to an existing backlog within the new DTE system. However, the need to continue these positions once the new system is implemented will be considered by the Legislature at that time.

The Department indicated 17 of the 21 current MSA contractor positions are currently filled, and contractors provide product development, network enhancements, analysis and documentation of business process, and project management. The other recommended contractor positions would assist to implement the new content services platform, provide technical implementation support for the new contact center, and continue support for data workstreams.

The Department indicated the various contract providers were selected based on available providers, best practices, and experienced industry leaders. The contract amounts were projected based on similarities to the State of California's DMV project and costs, and the Department indicated most cloud-based services costs were based on storage and usage estimates. As previously mentioned, Budget Amendment A230604716 includes funding of \$10.7 million over the 2023-2025 biennium for various contracts and/or services that would support the DTE, which would provide total funding of \$54.5 million over the 2023-2025 biennium. However, documentation provided for contracts explanation and information costs did not match the budget amendment. After the hearing the Department provided updated details regarding the contract, software, and hardware expenditures as provided in the table on page 46 [[Exhibit C](#)]. It appears some hardware expenditures included in the documentation should be reflected in the information services expenditure category. Accordingly, Fiscal staff requests authority to enter technical adjustments to reflect the transfer of equipment expenditure amounts of \$219,600 in FY 2024 and \$460,245 in FY 2025 from the contracts expenditure category to the information services category.

During the Department's budget hearing on March 29, 2023, the DMV indicated the DTE has an aggressive schedule, and there is a risk that the implementation date may be delayed. In addition, legislation may be enacted during the 2023 Legislative Session, which may impact the current legacy system and the ability to migrate data to the new DTE system. Data migration to the new system will reflect the largest effort. However, the DMV indicates it has a dedicated work group and cloud data architect to assist with the migration.

Given the difficulties this project has experienced in the past, the Subcommittees may wish to consider various recommendations that would provide measures of accountability for the Department. These recommendations could include:

- Budgeting for the various contract and software costs recommended by the Governor for this project, but placing that funding in this budget's reserve in FY 2025. This would allow for funding to be provided for those costs in FY 2024 to continue the project. However, the DMV would need to approach the Interim Finance Committee and receive approval before that funding could be transferred from reserves to an expenditure category in FY 2025 as the project continues.
- Issuing a letter of intent requiring semiannual reports to the Interim Finance Committee on the project. Information provided in these reports could include, as listed on page 47 [[Exhibit C](#)], an overview of activities, summary of change management, and an overview of the activities of the project vendors, just to name a few.

Do the Subcommittees wish to recommend approving the Governor's recommendation to continue the DMV's Department Transformation Effort by:

1. Recommending approval of Highway Fund appropriations of \$58.7 million and Technology Fee revenue of \$10,000 over the 2023-2025 biennium to continue the DMV's Department Transformation Effort that would replace the Department's existing computer system.
2. Recommending approval of Budget Amendment A230604716 that recommends additional Highway Fund appropriations of \$14.3 million over the 2023-2025 biennium and providing Fiscal staff with authority to enter any necessary technical adjustments to balance the budget amendment amount to the planned expenditures.
3. Recommending approval of a letter of intent requiring semiannual reports to the Interim Finance Committee on the status of the Department Transformation Effort.
4. Placing the planned expenditures for the contract and software costs of \$25.7 million in FY 2025 in reserves, which would generally require Interim Finance Committee approval before it could be utilized.
5. Recommending that Fiscal staff be provided with authority to make any necessary technical adjustments.

Chair Watts:

Members, are there any questions or comments? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED TO RECOMMEND APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO CONTINUE THE DMV'S DEPARTMENT TRANSFORMATION EFFORT BY:

1. RECOMMENDING APPROVAL OF HIGHWAY FUND APPROPRIATIONS OF \$58.7 MILLION AND TECHNOLOGY FEE REVENUE OF \$10,000 OVER THE 2023-2025 BIENNIUM TO CONTINUE THE DMV'S DEPARTMENT TRANSFORMATION EFFORT THAT WOULD REPLACE THE DEPARTMENT'S EXISTING COMPUTER SYSTEM.
2. RECOMMENDING APPROVAL OF BUDGET AMENDMENT A230604716 THAT RECOMMENDS ADDITIONAL HIGHWAY FUND APPROPRIATIONS OF \$14.3 MILLION OVER THE 2023-2025 BIENNIUM AND PROVIDING FISCAL STAFF WITH AUTHORITY

TO ENTER ANY NECESSARY TECHNICAL ADJUSTMENTS TO BALANCE THE BUDGET AMENDMENT AMOUNT TO THE PLANNED EXPENDITURES.

3. RECOMMENDING APPROVAL OF A LETTER OF INTENT REQUIRING SEMIANNUAL REPORTS TO THE INTERIM FINANCE COMMITTEE ON THE STATUS OF THE DEPARTMENT TRANSFORMATION EFFORT.
4. PLACING THE PLANNED EXPENDITURES FOR THE CONTRACT AND SOFTWARE COSTS OF \$25.7 MILLION IN FY 2025 IN RESERVES, WHICH WOULD GENERALLY REQUIRE INTERIM FINANCE COMMITTEE APPROVAL BEFORE IT COULD BE UTILIZED.
5. GRANT FISCAL STAFF AUTHORITY TO MAKE ANY NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

Lilliana Camacho-Polkow:

We have 2 Other Closing Items in this budget. The first is the ability to transfer Highway Fund Appropriations between fiscal years. Section 35 of the 2021 Appropriations Act provided the Department with the ability to transfer Highway Fund appropriations between fiscal years of the 2021-2023 biennium in this budget, upon the recommendation of the Governor and approval of the Interim Finance Committee. The Executive Budget recommends this budget retain the ability to transfer Highway Fund appropriations between fiscal years in the 2023-2025 biennium with Interim Finance Committee approval. If this recommendation is approved, enabling language will be included in the 2023 Appropriations Act.

Other Closing Item 2 is an equipment transfer. The Governor recommends Highway Fund reductions of \$77,620 in each year of the 2023-2025 biennium to reflect the transfer of Commvault cloud-based backup software from the DTE budget to the Automation budget, 201-4715. However, documentation provided by the Department indicates backup software transfer amounts of \$76,200 in each year of the 2023-2025 biennium. Fiscal staff recommends a technical adjustment to reflect updated backup software costs as indicated in the updated documentation provided by the Department.

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Fiscal staff recommends Other Closing Item 1 be closed as recommended by the Governor, Other Closing Item 2 be closed with the noted technical adjustment, and requests authority for staff to make other technical adjustments as necessary.

Chair Watts:

Are there any questions on these items? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED THE SUBCOMMITTEES RECOMMEND OTHER CLOSING ITEM 1 BE CLOSED AS RECOMMENDED BY THE GOVERNOR, OTHER CLOSING ITEM 2 BE CLOSED WITH THE NOTED TECHNICAL ADJUSTMENT, AND GRANT FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

We will now move on to our next budget.

**PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - RECORDS SEARCH (201-4711)
BUDGET PAGE DMV-65**

Lilliana Camacho-Polkow, Program Analyst:

The next budget to be closed is the Records Search budget, 201-4711, on page 51 [[Exhibit C](#)]. This budget was heard by the Subcommittees on March 29, 2023. The Records Search section of the Central Services and Records Division in the Department of Motor Vehicles (DMV) is responsible for researching and disseminating driver's license and vehicle registration information. This is a fee-funded budget which receives its funding through records search charge revenue for the processing of customer requests.

There is one Major Closing Issue in this budget, and it is a new address verification service. The Governor recommends record search charge revenue of \$149,000 over the 2023-2025 biennium to fund a new address verification service. The Records Search section of the DMV provides a real-time address verification service with the United States Postal Service data for all customer transactions. The Governor recommends records search charge revenue

to fund a new cloud-based address verification service that would integrate with the new department transformation effort (DTE) that would replace the Department's current legacy computer system.

Currently the DMV utilizes the Experian address verification service which runs on the Department of Administration, Enterprise Information Technology Services (EITS) mainframe system. The Department indicates the Experian address verification service supports the DMV's current Common Business Oriented Language (COBOL) mainframe system which will be in place until the implementation of the core product functionality of the DTE in FY 2026.

The new address verification service would implement the Experian cloud-hosted version to integrate via middleware software to the new DTE system. The DMV indicates it would require both address verification systems in the 2023-2025 biennium in order to continue to verify addresses within the current COBOL legacy system and simultaneously integrate the new address verification system with the new DTE platform. Once the new DTE is implemented, only the cloud-hosted address verification system would be needed.

During the March 29, 2023 budget hearing, the Department indicated staff successfully completed pilot project testing of the new address verification service in October 2022, and continues to perform user acceptance testing as new features for the new system are developed, including data migration and performance testing, monitoring system performance, and security testing.

Do the Subcommittees wish to recommend approval of the Governor's recommendation for records search charge revenue of \$149,000 over the 2023-2025 biennium to fund a new address verification service and provide authority for staff to make other technical adjustments, as necessary?

Chair Watts:

Members, are there any questions on this item? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED TO RECOMMEND APPROVAL OF THE GOVERNOR'S RECOMMENDATION FOR RECORDS SEARCH CHARGE REVENUE OF \$149,000 OVER THE 2023-2025 BIENNIUM TO FUND A NEW ADDRESS VERIFICATION SERVICE AND GRANT FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

Lilliana Camacho-Polkow:

There are 4 Other Closing Items in this budget account. Other Closing Items 1 through 3 are in the table on page 52 [[Exhibit C](#)], which includes new equipment and equipment replacement.

Other Closing Item 4 is a base budget adjustment. On April 5, 2023, the DMV provided updated revenue projections. Based on these updated revenue projections, Fiscal staff recommends technical adjustments to reduce the records search charge revenue by \$122,644 in FY 2024 and \$128,555 in FY 2025. Based on the updated revenue projections, Fiscal staff also recommends technical adjustments to reduce the transfers to the Central Services budget and the Automation budget by a total of \$122,644 in FY 2024 and \$128,555 in FY 2025. These adjustments are reflected on page 53 [[Exhibit C](#)] in the closing adjustments for this budget.

Fiscal staff recommends Other Closing Items 1, 2, and 3 be closed as recommended by the Governor, Other Closing Item 4 be closed with the noted technical adjustments, and requests authority for staff to make other technical adjustments as necessary.

Chair Watts:

Members, are there any questions on the Other Closing Items? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED THE SUBCOMMITTEES RECOMMEND OTHER CLOSING ITEMS 1, 2, AND 3 BE CLOSED AS RECOMMENDED BY THE GOVERNOR, ITEM 4 BE CLOSED WITH THE NOTED TECHNICAL ADJUSTMENTS, AND GRANT FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

We will now move on to the next budget.

PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - VERIFICATION OF INSURANCE (201-4731)
BUDGET PAGE DMV-60

Lilliana Camacho-Polkow, Program Analyst:

The next budget to be closed is the Verification of Insurance budget, 201-4731 [page 55, [Exhibit C](#)]. This budget was heard by the Subcommittees on March 29, 2023. The Verification of Insurance program verifies that owners of motor vehicles registered in Nevada maintain liability insurance. This self-funded budget derives its revenue from fines charged and collected for reinstatements resulting from “no insurance” suspensions.

There is one Major Closing Issue in this budget dealing with a new motor vehicle insurance verification system. The Governor recommends vehicle reinstatement registration fee revenue of \$2.1 million over the 2023-2025 biennium to fund a new motor vehicle insurance verification system.

The Department of Motor Vehicles (DMV) currently performs vehicle insurance verification in real-time with a Department-developed solution called the Nevada Liability Insurance Validated Electronically (NV LIVE) system. It is a legacy system and to verify coverage, the DMV sends requests to insurance companies during certain times and performs standard monthly reviews comparing policy data provided by insurance companies. Insurance policy information is received through secure file transfer through the mainframe system maintained by the Department of Administration, Enterprise Information Technology Services (EITS) Division, which supports the functionality of NV LIVE through the DMV’s current Common Business Oriented Language (COBOL) mainframe system, which will be in place until the implementation of the core product functionality of the DTE in FY 2026.

The new insurance verification system would allow for a cloud-based system to replace the current NV LIVE system and would integrate via middleware software to the new DTE. Some features in the new insurance verification system are similar to the original NV LIVE solution and would also allow the new DTE to move transactions online to the cloud environment.

The DMV indicates it would require operation of both insurance verification systems in order to continue to verify insurance policies within the current COBOL legacy system and simultaneously integrate the new insurance verification within the new DTE platform. Once the new DTE is implemented, the new cloud-hosted motor vehicle insurance verification system would require continued maintenance costs of approximately \$717,600 per fiscal year.

As previously noted, the Governor recommends vehicle reinstatement fee revenue of \$2.1 million over the biennium to fund a new motor vehicle insurance verification system. However, the Department indicates it would not be utilizing the notice printing and mailing features initially included in the expenditure calculation. Documentation has been submitted with an updated vendor quote eliminating those features, and the Department requests a technical adjustment to reduce expenditures for the new motor vehicle insurance verification system to \$717,600 in each year of the biennium.

During the Department's budget hearing on March 29, 2023, the Department indicated it was unable to customize the current NV LIVE system to be compatible with the new DTE system, and it would still require middleware software to communicate with the new DTE. The DMV further indicated 13 other states currently use the recommended cloud-based motor vehicle insurance verification system. The Department indicated staff successfully completed pilot project testing of the motor vehicle insurance verification system in September 2022 and continues to perform user testing for each transaction step, including end-to-end workflow based on the new system launch requirements. The new system would also establish a toll-free customer call center to resolve insurance-related issues and reduce the number of calls DMV staff would receive. The Department further indicated possible future enhancements to the system include customer communication with insurance providers through a web portal to allow for real time responses and updates.

Do the Subcommittees wish to recommend approval of vehicle reinstatement registration fee revenue of \$717,600 in each year of the 2023-2025 biennium to reflect the revised amount for the new motor vehicle insurance verification system and provide Fiscal staff with authority to enter any necessary technical adjustments?

Chair Watts:

Members, are there any questions?

Senator Goicoechea:

I realize it is going to be very difficult for the DMV to wean my generation off the phone calls, but we have got to move forward. It is kind of a generational thing, but I am not good at portals. A lot of the people of my generation are struggling, but we will get there. My hat is off to the DMV in trying to get this accomplished.

Members, are there any additional questions? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED THE SUBCOMMITTEES RECOMMEND APPROVAL OF VEHICLE REINSTATEMENT REGISTRATION FEE REVENUE OF \$717,600 IN EACH YEAR OF THE 2023-2025 BIENNIUM TO REFLECT THE REVISED AMOUNT FOR THE NEW MOTOR

VEHICLE INSURANCE VERIFICATION SYSTEM AND GRANT
FISCAL STAFF AUTHORITY TO ENTER ANY NECESSARY
TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Members is there any discussion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS
ABSENT FOR THE VOTE.)

Lilliana Camacho-Polkow:

There are 3 Other Closing Items in this budget. Other Closing Items 1 and 2, for equipment replacement, are in the table on page 57 [[Exhibit C](#)]. Other Closing Item 3 concerns the insurance violations revenue transfer to the State Highway Fund.

As indicated in the Overview [page 55], funding for the Verification of Insurance budget is generated by vehicle reinstatement registration fee revenue, with any revenue beyond the amount budgeted and a balance forward amount of \$500,000 transferred to the State Highway Fund. Insurance verification program revenue totaled \$11.2 million in FY 2022 and The Executive Budget projects total revenue increasing to \$12.6 million in FY 2024 and \$13.3 million in FY 2025, which would provide transfers of \$8.9 million in FY 2024 and \$9.5 million in FY 2025 to the Highway Fund.

On April 5, 2023, the DMV provided updated revenue projections which reflected increased revenue of \$2.2 million in FY 2024 and \$2.3 million in FY 2025. Based on the updated revenue projections, which are reflected in the closing adjustments for this budget, Highway Fund transfers are now reflected to be \$11.1 million in FY 2024 and \$11.8 million in FY 2025.

As previously indicated on March 10, 2023, an unanticipated contract increase was submitted by the Governor's Finance Office. Fiscal staff requests authority to enter technical adjustments to reduce these expenditures by \$1,888 in FY 2024 and increases these expenditures by \$1,496 in FY 2025 with corresponding adjustments in vehicle reinstatement registration fee revenue.

Fiscal staff recommends Other Closing Items 1 and 2 be closed as recommended by the Governor, Other Closing Item 3 be closed with the noted technical adjustments, and requests authority for staff to make other technical adjustments as necessary.

Chair Watts:

Are there any questions on the Other Closing Items? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED THAT THE SUBCOMMITTEES RECOMMEND OTHER CLOSING ITEMS 1 AND 2 BE CLOSED AS RECOMMENDED BY THE GOVERNOR, OTHER CLOSING ITEM 3 BE CLOSED WITH THE NOTED TECHNICAL ADJUSTMENTS, AND GRANT STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

We will now move on to the next budget.

PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - AUTOMATION (201-4715)
BUDGET PAGE DMV-27

Lilliana Camacho-Polkow, Program Analyst:

The next budget to be closed is the Automation budget, account 201-4715 [page 59, [Exhibit C](#)]. This budget was heard by the Subcommittees on March 29, 2023. The Division is tasked with enhancing the Department of Motor Vehicles (DMV) application, supporting the Internet and kiosk applications, maintaining the Department's personal computers and printers statewide, and building safe and secure interfaces between the DMV and other agencies.

There is one Major Closing Issue in this budget to continue funding for four information technology contract positions. The Governor recommends State Highway Fund appropriations of \$1.7 million over the 2023-2025 biennium to continue funding for four information technology (IT) contract positions and associated operating expenditures to assist with support of the DMV legacy IT system. The DMV indicates it needs the four contract positions to maintain the current legacy Common Business Oriented Language system through the department transformation effort (DTE) transition and legacy system retirement. The DMV anticipates no longer needing the contractor positions once the new DTE system is implemented, which is projected to be during the 2025-2027 biennium.

According to the Department, it has developed a staffing plan with its transformation vendor, which includes the repurposing of nine IT professional positions to support the future DMV systems. The DMV was keeping nine IT professional positions open to continue funding for these four IT contractors during FY 2023.

During the budget hearing the Department indicated for the DTE to be successful, current IT contractors are needed to support and maintain the legacy system to ensure it is stable and operational. This system stability is needed in order to migrate data and processes to the new DTE system. Additionally, IT contractors continue to work on current legacy system service tickets, which the DMV indicates totaled 339 open incidents as of April 3, 2023.

The Department further indicated once the DTE is implemented it would evaluate whether the four IT contract positions would continue to be needed or whether they could be eliminated. Retaining the IT contract positions may be required in order to retain expertise to properly inactivate and retire the legacy system. Finally, the Department indicated it will perform evaluations for existing positions to properly assess and align current DMV staff with future DTE support requirements and ensure necessary training and coaching is received to implement the DTE.

If the new DTE system becomes operational in the 2025-2027 biennium, there may not be an ongoing need for these contract positions. Accordingly, if the Subcommittees approve this recommendation, they may also consider directing the agency to remove the contractor position expenditures from the adjusted base budget for the 2025-2027 biennium. If the DMV wishes to continue these contract positions, it may then request to do so through an enhancement decision unit in the 2025-2027 biennium.

Do the Subcommittees wish to recommend approval of the Governor's recommendation for Highway Fund appropriations of \$1.7 million over the 2023-2025 biennium to continue funding for four information technology contract positions and associated operating expenditures to assist with support of the DMV legacy IT system and recommend the DMV be directed to remove these contractor expenditures from the adjusted base budget for the 2025-2027 biennium? Fiscal staff requests authority to enter any necessary technical adjustments.

Chair Watts:

Members, are there any questions on this? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED THAT THE SUBCOMMITTEES RECOMMEND APPROVAL OF THE GOVERNOR'S RECOMMENDATION FOR HIGHWAY FUND APPROPRIATIONS OF \$1.7 MILLION OVER THE 2023-2025 BIENNIUM TO CONTINUE FUNDING FOR FOUR INFORMATION TECHNOLOGY CONTRACT POSITIONS AND ASSOCIATED OPERATING EXPENDITURES TO ASSIST WITH SUPPORT OF THE DMV LEGACY IT SYSTEM; DIRECTING THE DMV TO REMOVE THESE CONTRACTOR EXPENDITURES FROM THE ADJUSTED BASE BUDGET FOR THE 2025-2027 BIENNIUM; AND GRANTING FISCAL STAFF AUTHORITY TO ENTER ANY NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

Lilliana Camacho-Polkow:

There are nine Other Closing Items in this budget. Other Closing Items 1 through 6 include technical analysis subscription, equipment maintenance, replacement equipment, new equipment, and transfer out of positions [page 61, [Exhibit C](#)].

Other Closing Item 7 includes an update to the cost allocation. The Governor recommends Highway Fund appropriations of \$75,167 and cost allocation reimbursement revenue reductions of \$75,167 over the 2023-2025 biennium to revise the Motor Vehicle Pollution Control budget cost allocation by funding 80 percent of two IT Professional positions, rather than 100 percent, utilizing cost allocation revenue. The DMV indicates this would align the funding with the positions' duties as they assist with DTE-specific projects that do not have a direct impact on the emission control program. However, the Department provided updated calculations in March 2023, and Fiscal staff requests authority to enter necessary technical adjustments to address this issue.

Other Closing Item 8 is equipment transfer. The Governor recommends Highway Fund appropriations of \$77,620 in each year of the 2023-2025 biennium to fund the transfer of Commvault cloud-based backup software from the DTE budget to the Automation budget. However, the base budget expenditures for this software totals \$76,200 in each year of the 2023-2025 biennium. Fiscal staff recommends a technical adjustment to reflect the updated transfer amounts with the base budget amounts.

Other Closing Item 9 is a base budget technical adjustment. On April 5, 2023, the DMV provided updated revenue projections for records search and Complete Streets Commission revenue, as well as updated transfer revenue from the DMV Records Search budget. The updated revenue projections are reflected on page 62 [[Exhibit C](#)], which increase Highway Fund appropriations in this budget by \$79,433 in FY 2024 and \$83,002 in FY 2025.

The Governor's Finance Office and the DMV indicated on April 7, 2023, that there was an unanticipated increase in the contract amount for VOX Network Solutions, the DMV's communication system. Fiscal staff recommends a technical adjustment to reflect the updated contract amounts supported with Highway Fund appropriations. This technical adjustment increases these expenditures by \$33,229 in FY 2024 and \$33,229 in FY 2025 with a corresponding increase in Highway Fund appropriations.

Fiscal staff recommends Other Closing Items 1 through 6 be closed as recommended by the Governor, Items 7, 8, and 9 be closed with the noted technical adjustments, and requests authority for staff to make other technical adjustments as necessary.

Chair Harris:

Members, are there any questions on the Other Closing Items? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED THAT THE SUBCOMMITTEES RECOMMEND OTHER CLOSING ITEMS 1 THROUGH 6 BE CLOSED AS RECOMMENDED BY THE GOVERNOR, ITEMS 7, 8, AND 9 BE CLOSED WITH THE NOTED TECHNICAL ADJUSTMENTS, AND GRANT STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

That brings us to our staff-closing budgets.

Lilliana Camacho-Polkow, Program Analyst:

The next four budgets for the Subcommittees' consideration have not previously been heard by the Subcommittees. Fiscal staff is responsible for developing closing recommendations for these budgets.

**PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - HEARINGS (201-4732)
BUDGET PAGE DMV-24**

Lilliana Camacho-Polkow, Program Analyst:

The first budget is Hearings, budget 201-4732. The Office of Administrative Hearings conducts administrative hearings in accordance with the *Nevada Revised Statutes*, the *Nevada Administrative Code*, and existing case law to ensure the public's right to appeal administrative sanctions imposed by the Department.

There are no Major Closing Issues in this budget and there is one Other Closing Item which is the previously mentioned Sahara field office rent discrepancy. Fiscal staff requests authority to enter any necessary technical adjustments.

Chair Watts:

Members, are there any questions on this before we move to the next summary? [There were none.]

**PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - MOTOR VEHICLE POLLUTION CONTROL (101-4722)
BUDGET PAGE DMV-45**

Lilliana Camacho-Polkow, Program Analyst:

The next budget previously not heard by the Subcommittees is the Motor Vehicle Pollution Control budget, 101-4722 [page 67, [Exhibit C](#)]. Through the Motor Vehicle Pollution Control budget, the Department of Motor Vehicles (DMV) Compliance Enforcement Division is responsible for ensuring compliance with the *Nevada Revised Statutes* and the *Nevada Administrative Code* as they relate to vehicle emissions standards in counties whose population equals or exceeds 100,000, which are currently Clark and Washoe Counties.

There are no Major Closing Issues in this budget, and there are nine Other Closing Items. Other Closing Items 1 through 4 include cost allocations and equipment replacement [page 67, [Exhibit C](#)].

Other Closing Item 5 is a base budget technical adjustment and includes information received by the DMV for updated revenues for emission certificate, and license and fee revenue. The updated revenue projections are reflected in the closing adjustments for this budget and decrease revenue and reserves by \$199,762 in fiscal year (FY) 2024, and \$203,476 in FY 2025.

The Nevada Department of Transportation (NDOT) is in the process of replacing the Nevada Shared Radio System, with the Governor recommending continued funding for the project in the 2023-2025 biennium. The replacement system would largely be funded with one-shot State Highway Fund and State General Fund appropriations, as well as cost allocation revenue from fee-funded budgets that utilize the system. Although the positions in this budget utilize the radio system, this cost allocation expenditure does not align with NDOT's projections included in [The Executive Budget](#) for this budget. Accordingly, Fiscal staff requests authority to enter technical adjustments to reflect cost allocation expenditures of \$62,113 in FY 2024 and \$43,155 in FY 2025 to align the expenditure authority with NDOT's projected costs in the 2023-2025 biennium.

As previously mentioned, there was an unanticipated contract increase for scanning services. Fiscal staff recommends authority to enter technical adjustments to increase information services expenditures by \$75 in FY 2024 and \$155 in FY 2025 with a corresponding reduction in reserves.

Concerning Other Closing Item 6, this budget also includes the Sahara rent discrepancy that was discussed earlier and Fiscal staff requests authority to enter any necessary technical adjustments when we receive the final distribution for rent and debt service payments.

Other Closing Item 7 is a budget amendment for dash cameras. Budget Amendment A230584722 was received from the Governor's Finance Office on March 7, 2023, and recommends reserve reductions of \$57,230 in FY 2024 and \$2,399 in FY 2025 to fund the purchase and ongoing operational costs for five dash cameras and associated equipment for sworn law enforcement officers who perform patrol.

Other Closing Item 8 is Budget Amendment A230724722, received from the Governor's Finance Office on March 7, 2023, which recommends reserve reductions of \$31,548 in FY 2024 to fund the purchase of five body cameras for sworn law enforcement officers who perform patrol.

Other Closing Item 9 is Budget Amendment A231964722, received from the Governor's Finance Office on March 9, 2023, which recommends reserve reductions of \$114,006 over the 2023-2025 biennium to fund a one-grade increase for ten compliance/enforcement investigator positions and one supervisory compliance/enforcement investigator position. This decision unit will be considered by the money committees when all other statewide decision units, including employee compensation, are discussed.

Finally, Fiscal staff requests authority to enter any necessary technical adjustments to provide this budget with an ending reserve of \$1 million in each year of the 2023-2025 biennium, as required by NRS 445B.830(6). To do so, Fiscal staff would adjust the payments from this budget to Clark and Washoe Counties.

Chair Watts:

Members, are there any questions on this budget? [There were none.] We will move on to the next budget.

**PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - CENTRAL SERVICES (201-4741)
BUDGET PAGE DMV-51**

Lilliana Camacho-Polkow, Program Analyst:

The next budget previously not heard by the Subcommittees is the Central Services budget, account 201-4741 [page 71, [Exhibit C](#)]. Central Services consists of alternate services and the processing center. Alternate services include driver license and registration renewal by mail, special plates, data integrity, records, off-highway vehicles (OHV), titling and registrations, and the Central Services call center.

There are no Major Closing Issues in this budget and there is one Other Closing Item, which is a base budget technical adjustment. On April 5, 2023, the Department of Motor Vehicles (DMV) provided updated revenue projections for substitute decal fee and Sales Tax Commission revenue, as well as updated transfer revenue from the DMV Records Search budget. These updates are reflected in the closing adjustments for this budget [page 72, [Exhibit C](#)], which increase State Highway Fund appropriations in this budget by \$190,995 in fiscal year (FY) 2024 and \$199,532 in FY 2025.

This account also includes the previously noted unanticipated contract increase for scanning service, software support, and maintenance. Fiscal staff recommends authority to enter a technical adjustment to increase expenditures by \$4,759 in FY 2024 and \$9,848 in FY 2025 with a corresponding increase in Highway Fund appropriations and OHV cost allocation revenue.

Chair Watts:

Members, are there any questions on this budget? [There were none]. We will move on to the next budget.

**PUBLIC SAFETY
DEPARTMENT OF MOTOR VEHICLES
DMV - RESEARCH AND PROJECT MANAGEMENT (201-4742)
BUDGET PAGE DMV-78**

Lilliana Camacho-Polkow, Program Analyst:

The final budget the Subcommittees have not previously heard is Research and Project Management, budget account 201-4742 [page 73, [Exhibit C](#)]. The Research and Project Management Division within the Department of Motor Vehicles (DMV) is responsible for the development of policies and procedures, regulations, draft legislation, training surveys, forms, and requests for proposal. There are no Major Closing Issues in this budget and there are two Other Closing Items, which are noted in the table on page 73 and are related to position transfers.

Chair Watts:

Members, are there any questions on this budget? [There were none.] We will now move on to the final motion.

Lilliana Camacho-Polkow:

As previously noted, Fiscal staff is responsible for developing closing recommendations for the previously mentioned staff closed budgets.

Fiscal staff recommends that the following budgets be closed as recommended by the Governor, with the technical adjustments noted, and requests authority for staff to make other technical adjustments as necessary:

- 101–4722, Department of Motor Vehicles–Motor Vehicle Pollution Control: Fiscal staff recommends Other Closing Items 1 through 4 be closed as recommended by the Governor.

Other Closing Item 5 be closed with technical adjustments to the base budget to reflect updated revenue projections for emission certificate and license and fee revenue that reflect a reduction in reserves by \$199,762 in FY 2024 and \$203,476 in FY 2025, technical adjustments to reflect cost allocation expenditures of \$62,113 in FY 2024 and \$43,155 in FY 2025 to align the expenditure authority with the Nevada Department of Transportation’s projected costs in the 2023-2025 biennium for the costs associated with the Nevada Shared Radio System replacement project, and technical adjustments to increase information services expenditures by \$75 in FY 2024 and \$155 in FY 2025 with a corresponding reduction in reserves.

Other Closing Item 6 be closed with technical adjustments to update final distribution of rent and debt service payments for the Sahara field office.

Other Closing Items 7 and 8 be closed with approval of Budget Amendments A230584722 and A230724722 for total reserve reductions of \$91,177 over the 2023-2025 biennium for five dash cameras and five body cameras for sworn law enforcement officers.

Other Closing Item 9 be deferred for consideration and discussed during the statewide decision units closing where other statewide grade increases will be considered.

Fiscal staff also requests authority to make technical adjustments to provide this budget with an ending reserve of \$1 million in each year of the 2023-2025 biennium as required by NRS 445B.830(6).

- 201–4732, DMV Hearings: including a technical adjustment to update final distribution of rent for the Sahara field office.
- 201–4741, DMV Central Services: including technical adjustments to the base budget to reflect updated revenue projections for substitute decal fee and Sales Tax Commission revenue that reflect a reduction in revenue and increases in Highway

Fund appropriations of \$190,995 in FY 2024 and \$199,532 in FY 2025, and technical adjustments to reflect increases for scanning service, software support, and maintenance by \$4,759 in FY 2024 and \$9,848 in FY 2025 with a corresponding increase in Highway Fund appropriations and Off-Highway Vehicles cost allocation revenue.

- 201-4742: DMV Research and Project Management.

Chair Watts:

Members, are there any questions? [There were none.] I will accept a motion.

SENATOR HARRIS MOVED TO RECOMMEND APPROVAL OF FISCAL STAFF'S CLOSING RECOMMENDATIONS FOR THE FOLLOWING BUDGETS:

- 101-4722, DEPARTMENT OF MOTOR VEHICLES (DMV)-MOTOR VEHICLE POLLUTION CONTROL.
- 201-4732, DMV HEARINGS.
- 201-4741, DMV CENTRAL SERVICES.
- 201-4742: DMV RESEARCH AND PROJECT MANAGEMENT.

ASSEMBLYWOMAN ANDERSON SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.] I will call for a vote.

THE MOTION CARRIED. (ASSEMBLYWOMAN BROWN-MAY WAS ABSENT FOR THE VOTE.)

Assembly Committee on Ways and Means
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Subcommittees on Public Safety, Natural Resources, and Transportation
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That concludes our budget closings for the day. I will open the meeting for public comment.
[Public comment was heard.]

We are adjourned [at 9:44 a.m.].

RESPECTFULLY SUBMITTED:

Cynthia Ihejirika
Committee Secretary

APPROVED BY:

Assemblyman Howard Watts, Chair

DATE: _____

Senator Dallas Harris, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a copy of a document titled "Public Safety, Natural Resources, and Transportation Joint Subcommittee Closing List #3," dated April 18, 2023, prepared by Fiscal Analysis Division Staff and presented by Lilliana Camacho-Polkow, Program Analyst.