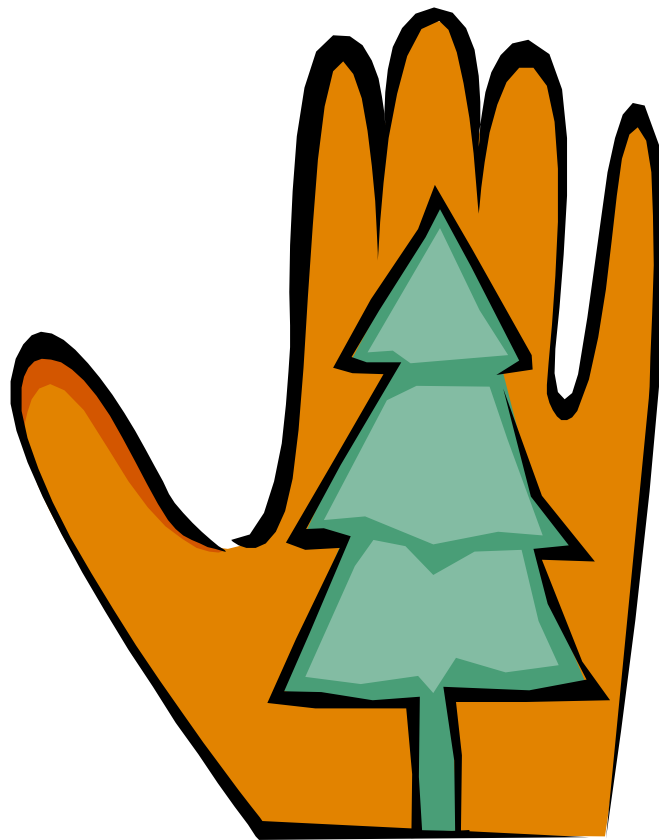


INFRASTRUCTURE



INFRASTRUCTURE

The Infrastructure function of state government includes those agencies responsible for capital assets of the state as well as its natural resources. This function includes the Department of Conservation and Natural Resources, the Department of Wildlife, the Department of Transportation and the Colorado River Commission. In the 2003-05 biennium, General Fund appropriations for the Infrastructure function total \$49.7 million, which is 15.8 percent greater than the amount approved for the 2001-03 biennium.

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

The Department of Conservation and Natural Resources (DCNR) is responsible for ensuring Nevada's natural resources are used, maintained and preserved in a manner that will best serve the citizens of the state. The department comprises the Divisions of Forestry, State Parks, Environmental Protection, State Lands, Conservation Districts, and Water Resources. The department includes the Nevada Tahoe Regional Planning Agency, the State Environmental Commission, the Nevada Natural Heritage Program, and the Commission for the Preservation of Wild Horses. Budgetary support is provided to the Tahoe Regional Planning Agency.

The 2003 Legislature approved Assembly Bill 41 creating the Department of Wildlife (NDOW) and separating the former division from the DCNR. For the 2003-05 biennium, total funding (excluding the Department of Wildlife) approved for the Department of Conservation and Natural Resources is \$202.8 million, which is 6.6 percent greater than the amount approved for the 2001-03 biennium. The General Fund portion (excluding the Department of Wildlife) of the department's budget totals \$48.3 million, which is 16.4 percent greater than the amount approved for the 2001-03 biennium.

QUESTION 1 - \$200 MILLION CONSERVATION BOND

The 17th Special Session of the Legislature (2001) approved Assembly Bill 9, which put forth to the voters at the November 5, 2002 general election approval of up to \$200 million in general obligation bonds for purposes of protecting, preserving and obtaining the benefits of property and natural resources in the state. The 2003 Legislature approved distribution of a total of \$937,981 in bond proceeds and interest earnings to support the administration of the Question 1 bond program within the department during the 2003-05 biennium. The funding supports seven new FTE positions: Management Analyst IV in the DCNR Director's Offices, Management Analyst III, Management Analyst II and an Administrative Assistant in State Lands, and a Project Architect, a Landscape Architect and an Engineering Technician in State Parks. The 2003 Legislature issued a letter of intent specifying the positions could not be filled until such time funds provided from the sale of general obligation bonds are readily available. An increase of one cent in the state property tax rate was approved in Senate

Bill 507 to support repayment of the bond proceeds in the 2003-05 biennium, which can be assessed in addition to the \$3.64 statutory limit on property taxes.

DIRECTOR'S OFFICE

The DCNR Director's Office provides administrative, technical, budgetary and supervisory support to agencies within the department. The office is funded primarily through General Fund appropriations, along with nominal cost allocation revenues. The 1995 Legislature approved placing the supervision of the Division of Forestry's accounting, fiscal and personnel section under the supervision of the Director's Office in an effort to restore fiscal integrity and accountability. The 2003 Legislature approved the Governor's recommendation to return funding for the unit back to the Forestry Division consistent with the director's decision to place the unit under the direct supervision of the State Forester Firewarden.

In addition to the Management Analyst IV position approved for the administration of the Question 1 bond program, the Legislature approved the Governor's recommendation for a new Accounting Assistant III position to assist with fiscal and accounting activities, and an Administrative Assistant II position to support the reception area and to provide relief coverage. Funding support for one-half of the state Climatologist's position at the University of Nevada, Reno was eliminated as recommended by the Governor.

COMMISSION FOR THE PRESERVATION OF WILD HORSES

The Commission for the Preservation of Wild Horses was created by the 1985 Legislature to administer the Leo Heil Bequest for the preservation of wild horses in Nevada and operates under the authority of NRS 504.430 through 504.490. The mission of the commission is to serve as an advocate for wild horses through educational, promotional, and habitat programs. The commission participates with federal agencies in the land use planning process to ensure sufficient habitat and viable populations, serving as a clearinghouse for information to the general public and the news media on all aspects of wild horses.

The 1999 Legislature approved Assembly Bill 684, authorizing expenditures of up to \$75,000 from the Heil Wild Horse Trust Fund to conduct a feasibility study on the establishment of a private foundation and scope of work that could be accomplished to enhance the adoption program. The study explored the feasibility of establishing a national foundation whose sole purpose would be the marketing aspects of the wild horse program. As a result of the feasibility study, the 2001 Legislature and the Interim Finance Committee approved the expenditure of \$400,000 from the Heil Bequest as a corresponding match with the Bureau of Land Management to establish a Wild Horse and Burro Foundation. The 2001 Legislature also approved Assembly Bill 662, which removed language that limited the director from authorizing expenditure of funds that would draw the trust fund below \$900,000 unless the money was needed for an emergency.

Due to declining interest income earned on the Heil Bequest, compounded by the reduction in trust principal to fund the Wild Horse and Burro Foundation, the balance in the trust account is projected to approach the \$485,440 amount of the original bequest in FY 2004-05. The 2003 Legislature approved Assembly Bill 474 that provides for the balance of the trust account to fall below the amount of the original bequest to continue the operations of the commission through the 2003-05 biennium.

DIVISION OF CONSERVATION DISTRICTS

The Division of Conservation Districts works with Nevada's 28 locally elected conservation districts in a statewide conservation program. The agency's mission is to train and assist the districts, which work to conserve, improve and sustain the state's renewable natural resources by providing outreach and technical assistance to landowners in partnership with other local, state and federal agencies. The 2003 Legislature did not concur with the Governor's recommended reduction of \$243 million per year for each conservation district and voted to restore General Fund appropriations of \$140,000 per year to provide \$5,000 per year to each of Nevada's 28 conservation districts.

DIVISION OF STATE LANDS

The Division of State Lands acquires, holds, and disposes of all state lands and interests in lands, except lands of the University and Community College System of Nevada, the Legislature, and the Department of Transportation. The division's land use planning agency provides planning assistance to local governments and represents the state on federal land issues. The division also administers the Environmental Improvement Program, the Tahoe bond program and the Tahoe mitigation program.

As mentioned previously, the 2003 Legislature approved three new positions in support of administering the division's \$65.5 million allocation from the Question 1 bond program to support grants to state agencies, local governments or non-profit agencies. As recommended by the Governor, the Legislature also approved funding to maintain and improve the division's State Land Information Management System and to develop a complementary geographic information system-mapping database that will allow the agency to generate land parcel maps from the database system.

TAHOE REGIONAL PLANNING AGENCY

The Tahoe Regional Planning Agency (TRPA) was jointly created by the states of Nevada and California and the United States Congress. TRPA leads the cooperative effort to preserve, restore and enhance the environment of the Lake Tahoe Region. Under the Bi-State Compact, Nevada and California contribute funding to TRPA on a one-third/two thirds split. The TRPA exercises

environmental controls over the water, land, air, wildlife and development of the Lake Tahoe Region.

The 2003 Legislature approved the Governor's recommendation of \$600,000 per year, \$200,000 per year of which is Nevada's share, for Phase II of the threshold efforts initiated during the 2001-03 biennium. Phase II threshold efforts (Pathway 2007) will focus on synthesizing research data into a program of meaningful measures to guide ongoing monitoring programs and to provide a foundation for the Regional Plan update. Tasks include analysis and integration of Phase I data; expansion and improvement of the Tahoe Integrated Information Management System (TIIMS); continued threshold research to establish baseline environmental conditions and timelines for standard attainment; database update; and development of common goals and a work program for updating the regional plan.

The Executive Budget envisioned that Nevada's share of funding for TRPA Pathway 2007 would be provided through interest earnings on EIP bonds. However, the Division of State Lands expressed concerns over the availability of sufficient EIP bond interest revenues to provide the funding. The Budget Division submitted an amendment proposing instead to fund Nevada's share of TRPA Pathway 2007 costs with interest earnings on the bonds issued pursuant to the 1996 Tahoe Bond Act (Assembly Bill 13 of the 1995 Legislative Session and Question 12 of the 1996 General Election). The Legislature approved the amended funding recommendation.

The 2001 Legislature approved funding for Phase I threshold research projects. Assembly Bill 511 (2001) provided a General Fund appropriation of \$200,000 as Nevada's share of the \$600,000 total cost for FY 2001-02. In FY 2002-03, Nevada provided EIP bond interest revenues of \$200,000 as its matching share of the \$600,000 total cost for threshold research. During the 2003 session, TRPA indicated that the agency anticipated FY 2001-02 threshold research would be completed by the end of the 2001-03 biennium. However, TRPA anticipated FY 2002-03 authority would not be fully expended. The 2003 Legislature approved the TRPA's amended request to carry forward the \$299,375 balance (\$99,792 Nevada, \$199,583 California) from FY 2002-03 into FY 2003-04. The Legislature also endorsed TRPA's proposal that FY 2003-04 authority be available in both years of the biennium.

The Governor's adjusted base budget recommended continuation of the state of California's FY 2002-03 funding reduction of \$313,000, with the corresponding \$156,500 decrease in Nevada's matching share (one-third). TRPA sought reinstatement of the lost revenues, indicating that the reduced funding level would not sustain the agency's basic operations. Based on indications from budget staff in California, the state did not intend to restore its funding cuts, the Legislature concurred with the Governor's recommendation to deny the restoration of base funding cuts for the TRPA.

DIVISION OF STATE PARKS

The Division of State Parks plans, develops, and maintains a system of parks and recreational areas for the use of residents and visitors. The division also preserves areas of scenic, historic and scientific significance in Nevada. The State Parks staff currently maintains 24 parks. The primary sources of funding for state parks are General Fund appropriations, visitor user fees and boat fuel taxes.

Three new positions were approved by the 2003 Legislature for administration of State Park's allocation of the Question 1 bond program to support 11 acquisition projects and 58 development projects. In addition, the Governor recommended and the Legislature approved two additional positions. An Accounting Assistant position is shared between the Central Nevada/Fallon Region office and the Lahontan State Recreation Area (SRA). The position will assist the other accounting position at the regional office, and will assist with fee collection compliance at Lahontan SRA. The position is funded through increased user fee collections. A Maintenance Repair Worker position is approved that will be responsible for general maintenance and water works repairs at Cave Lake and Ward Charcoal Ovens State Parks. The full-time permanent position is funded with General Fund appropriations that previously supported seasonal maintenance workers in the Eastern Region.

The Governor recommended continuation of the Park Ranger position assigned to the Lake Tahoe Environmental Improvement Team utilizing accumulated interest from the initial EIP bond issue and from the Lake Tahoe License Plate account, in lieu of General Fund appropriations. Due to concerns with the availability of funding from the Lake Tahoe License Plate account, the 2003 Legislature approved Senate Bill 46 that allows for the use of interest earnings from the 1995 Tahoe Bond Act account in lieu of the funds from the Lake Tahoe License Plate account.

In closing the State Park's budget, the Legislature approved replacing \$206,425 in General Fund appropriations as recommended by the Governor in FY 2004-05 with transfers from the Commission on Tourism to fund new maintenance projects for park buildings, residences and historical structures throughout the state.

DIVISION OF ENVIRONMENTAL PROTECTION

The Division of Environmental Protection (DEP) implements various environmental programs authorized and required by the Nevada Legislature and federal laws, and enforces regulations adopted by the State Environmental Commission. The division includes the Administration account and eight bureaus: Air Pollution Control, Air Quality Planning, Water Pollution Control, Water Quality Planning, Corrective Actions, Waste Management, Federal Facilities, and Mining Regulation and Reclamation. The 2003 Legislature approved the Governor's recommendation establishing a new Bureau of

Environmental Information and Planning within the Administration budget that is supervised by a recently reclassified Bureau Chief position transferred from the Bureau of Federal Facilities. The new bureau oversees all of the division's current information systems activities, and the One-Stop and Environmental Public Health Tracking System programs approved by the Interim Finance Committee in FY 2002-03. The Legislature also approved the Governor's recommendation to place the Bureau of Water Quality Planning and the Bureau of Federal Facilities into individual budget accounts in an effort to reduce the complexity of existing accounts.

The 2003 Legislature approved the Governor's recommendation for six new positions in DEP's air programs to address increasing air monitoring programs arising from new federal regulations that identify, permit and monitor new sources of hazardous pollutants that have not been previously regulated. The positions will also help the division to respond to a recent determination that the Pahrump Valley is in a non-attainment status with federal air quality standards for particulate matter. The positions are funded by revenues generated from increased permit fee activity and additional transfers from the Department of Motor Vehicles (DMV) Pollution Control Account. The Executive Budget recommended a \$2 increase in the vehicle emission certificate fee but through passage of Senate Bill 500, the 2003 Legislature only authorized an increase of \$1. An Environmental Scientist position was transferred from the Administration account that is utilized to support increased workloads in the air quality programs. The Legislature approved the Governor's amended recommendation to transfer \$200,000 from the DMV Pollution Control in FY 2004-05 in anticipation of reduced fee revenues due to the anticipated closure of the Fort Mojave generating facility.

In DEP Water Programs, the Legislature approved the Governor's recommendation for a new Staff Engineer III to address new Phase II Stormwater requirements mandated by the U.S. Environmental Protection Agency, and a new Environmental Scientist III position to support increased permitting activity associated with the Non-Point Source program. The Legislature also approved the transfer of the Environmental Labs Certification program, including two Health Facility Surveyor positions, from the Division of Health to the Bureau of Water Quality Planning. The 2003 Legislature also approved Assembly Bill 473, transferring the Safe Drinking Water Program that administers the revolving loan program for public water systems from the Health Division to DEP.

The Water Capital Planning account administers the Fund for Grants for Water Conservation and Capital Improvements to Certain Water Systems that provides grants to purveyors of publicly owned community water systems and publicly-owned non-transient water systems to pay for the costs of capital improvements necessary to comply with the Safe Drinking Water Act and State Board of Health regulations. Senate Bill 233 of the 2003 Session, as revised by Assembly Bill 5 of the 20th Special Session, increased the amount of state of Nevada General Obligation Bonds the State Board of Finance may issue to support the fund from an amount not to exceed \$69 million to an amount not to exceed \$90 million.

The Legislature also approved Senate Bill 200 changing the name of the fund to the Fund for Grants for Water Conservation, Capital Improvements to Certain Water Systems and Improvements to Certain Sewage Disposal Systems. Senate Bill 200 expands the use of grant funds to an eligible recipient to pay the local or regional connection fee and capital improvement costs necessary to abandon an individual septic tank and connect to a community sewage disposal system as required by DEP pursuant to NRS 445A.300 to NRS 445A.730.

The Legislature approved the Governor's recommendation for a new Bureau Chief position for the Bureau of Federal Facilities to replace the position transferred to the new Bureau of Environmental Information and Planning. The new Bureau Chief will oversee the Bureau of Federal Facilities beginning in January 2004 when a federal employee that currently oversees the program retires. The Legislature also approved a new Environmental Scientist position to supervise increased preventative inspections of underground storage tanks, notably in Clark and Washoe counties.

DIVISION OF FORESTRY

The Nevada Division of Forestry (NDF) is responsible for managing and coordinating forestry, watershed and fire prevention and control work on state and privately owned lands in Nevada. The division consists of two primary programs—fire management and natural resource management. The NDF provides assistance to county and local fire districts and adopts and enforces fire prevention regulations. Direct protection and management are provided to land and improvements within fire districts organized under Chapter 473 of NRS. The 473 districts cover nearly nine million acres in eight counties. Other division programs include cooperative forest management, rural fire protection, forest stewardship, resource rehabilitation, and control of insects and diseases in trees.

As noted in the Director's Office, funding for the Forestry fiscal unit is transferred from the Director's Office to the Forestry account consistent with the supervision of the unit by the State Forester Firewarden. The Legislature also approved a new Administrative Services Officer I to provide additional accounting and budgetary support to the existing Administrative Services Officer III position. The Legislature also concurred with the Governor's recommendation for two six-month seasonal accounting positions to provide additional clerical resources for employee timesheet and payroll reporting during fire season.

The Legislature approved a Budget Office amendment specifying that Forestry and the Department of Wildlife would be responsible for the costs of their respective air operations. Prior to the change, Wildlife provided funding support for 25 percent of the salary costs for the Chief Pilot and an Administrative Assistant, and 50 percent of the salary costs for the Aircraft Mechanic. Effective with the change, Forestry will recover the salary costs for these positions through increased hourly aircraft charges included in the fire reimbursements transferred from the Fire Suppression account. Wildlife will reimburse Forestry at the higher

hourly rates for the actual amount of Forestry aircraft time utilized for Wildlife activities.

The 2001 Legislature approved the Governor's recommendation to increase the cost allocation to counties from \$230,000 per year to \$342,257 per year with the understanding that the division would attempt to mitigate the impact of the increase to the counties to avoid layoffs of firefighting personnel. The 2003 Legislature approved the Governor's recommendation reducing the cost allocation to counties from \$342,257 to \$286,027 in each year of the 2003-05 biennium. In lieu of increasing General Fund appropriations to offset the reduction in cost allocation revenues of \$56,230 per year, a vacant Forestry Staff Specialist position was eliminated.

Similar to the Park Ranger position in State Parks, the Governor recommended continuation of the Forester position assigned to the Lake Tahoe Environmental Improvement Team utilizing accumulated interest from the initial EIP bond issue, and from the Lake Tahoe License Plate account in lieu of General Fund appropriations. Due to concerns with the availability of funding from the Lake Tahoe License Plate account, the 2003 Legislature approved Senate Bill 46 that allows for the use of interest earnings from the 1995 Tahoe Bond Act account in lieu of the funds from the Lake Tahoe License Plate account.

FOREST FIRE SUPPRESSION - EMERGENCY RESPONSE

The Forest Fire–Emergency Response program covers expenses necessary for fire protection and forest and watershed management that are caused by fire or other emergencies. Personnel also respond to medical emergencies and vehicle accidents. The program is funded by a combination of General Fund appropriations and reimbursements for firefighting assistance provided on lands outside of the state's jurisdiction. If this account becomes depleted, funding is available to meet expenses from the State Board of Examiners' Reserve for Statutory Contingency Fund (NRS 353.264). The agency can also seek additional amounts from the Interim Finance Committee's Contingency Fund (NRS 353.266).

The 2003 Legislature continued the annual \$1 million General Fund appropriation recommended by the Governor for the Fire Suppression–Emergency Response account. Forest fire reimbursement revenue authority was increased by \$3.3 million in each of the 2003-05 biennium to support overtime and fire suppression expenditures reflecting historic average costs incurred.

FORESTRY HONOR CAMPS

The Forestry Honor Camp program consists of ten conservation camps statewide. Each camp provides a workforce for local communities and other agencies. Inmates of the Department of Corrections provide the labor for the project assignments, which include wild land fire suppression activities. There

are approximately 102 inmate crews in the 10 camps supervised by the Nevada Division of Forestry.

In addition to completing conservation projects and providing trained fire suppression forces, the program teaches inmate's job skills and good work habits. Twelve-member crews are assigned to the Crew Supervisors and Assistant Camp Supervisors at each camp. The division is primarily funded by a General Fund appropriation; it also receives federal fire reimbursement funds and project reimbursements.

The 2003 Legislature did not concur with the Governor's recommendation to eliminate four Crew Supervisor positions (two at the Wells camp, and one each at the Humboldt and Jean camps) as a continuation of FY 2002-03 budget reductions. The Legislature expressed concern that the reduction in Crew Supervisors would impact the availability of inmate crew resources during fire season. The reinstatement of the four Crew Supervisor positions increases General Fund appropriations by \$517,005 over 2003-05 biennium.

DEPARTMENT OF WILDLIFE

The 2003 Legislature approved Assembly Bill 41 creating the Department of Wildlife (NDOW) effective July 1, 2003 that was formerly a division within the Department of Conservation and Natural Resources. NDOW is responsible for the preservation and management of Nevada's wildlife resources. The department is organized into seven program bureaus: Administrative Services, Game Management, Fisheries Management, Law Enforcement, Conservation Education, Habitat and Wildlife Diversity. Each bureau is responsible for program development and administration in the respective program areas statewide. The department is funded from federal programs, licenses, General Fund, fees and gifts and donations.

For the 2003-05 biennium, total funding approved for the Department of Wildlife is \$95.3 million, which is 28.2 percent greater than the amount approved for the 2001-03 biennium. The General Fund portion for the department totals \$1.35 million, which is 3.2 percent less than the amount approved for the 2001-03 biennium.

The large increase noted in the budget is primarily due to \$14 million in general obligation bonds for the fish hatchery refurbishment program as discussed in the Trout Management section of this report (CIP 03-C12). The Legislature also approved Senate Bill 420 which authorizes for across the board fee increases for hunting, fishing, combination, and trapping licenses recommended by the Governor projected to generate approximately \$2.6 million in additional revenues to the department to maintain existing programs and to provide a reserve estimated at \$1.7 million at the end of FY 2004-05. The Executive Budget recommended replacing transfers of \$200,000 per year of lodging tax receipts from the Commission on Tourism with increases in General Fund appropriations due to reduced lodging tax revenues received by Tourism. The 2003 Legislature

did not concur with the Governor's recommendation to increase General Fund appropriations by \$200,000 and instead approved the use of reserve funding to replace the lodging tax receipts.

The Legislature concurred with the Governor's recommendation for \$459,875 in the 2003-05 biennium to fund the construction/renovation of NDOW facilities statewide, including asbestos abatement at various department residences, outbuilding renovations, and a new equipment building at the Mason Valley Wildlife Management Area. The Legislature also approved a total of \$1.17 million in FY 2003-04 and \$962,449 in FY 2004-05 derived from federal funds and reserves for one-time projects that correlate to the agency's mission. The projects include replacing underground fuel tanks at the Mason Valley Fish Hatchery; replacing elk and perimeter fencing at Steptoe Valley Wildlife Management Area; aquatic distribution and genetic sampling studies; and development of the Clark County Sport Shooting Park.

As noted in the Forestry narrative, Wildlife will no longer directly support salary costs for Forestry's Chief Pilot, Aircraft Mechanic and Administrative Assistant. Wildlife will be obligated to reimburse Forestry for use of its aircraft on an hourly basis. Two Biologist positions, one Staff Specialist position, and a 0.51 FTE Administrative Assistant position were eliminated due to long-term vacancies.

WILDLIFE BOATING PROGRAM

NDOW administers, enforces, and implements the Nevada Boat Act. The program includes registration and titling of boats, enforcement of laws and regulations, boating safety education and development of public access facilities. The boating program is funded by title and registration fees, state motorboat fuel tax, federal revenues, and interest income. Senate Bill 420, as recommended by the Governor and approved by the 2003 Legislature, also increases the titling and registration fees for boat owners by approximately 22 to 67 percent, which is projected to generate an additional \$1.6 million in revenues in the 2003-05 biennium. Pursuant to NRS 488.075, one half of the boat registration fees collected are distributed to the county school districts from the respective county where the fee originated.

The 2003 Legislature approved the Governor's recommendation to fund a total of \$416,000 for 21 boating access renovation projects statewide in the 2003-05 biennium. The Legislature also approved \$144,904 in the 2003-05 biennium to fund the continuation of projects such as the loaner life jacket and throwable cushion campaigns; site surveys for radio communication sites at Topaz Lake; and two additional operating under the influence checkpoint operations on Lake Mead each year. The replacement of a law enforcement boat at both Lake Mead and Lake Tahoe were also approved.

WILDLIFE OBLIGATED RESERVE

To preserve obligated funds for dedicated projects, specific revenues in the Wildlife main budget account 4452 were placed in the Obligated Reserve account by the 1995 Legislature. Funding in this account comes from sales of duck stamps, elk tag application fees, gifts, federal aid, and Treasurer's interest.

As recommended by the Governor and approved by the 2003 Legislature, Senate Bill 420 establishes two new fees. A new Habitat Conservation fee of \$3 is assessed on all hunting, fishing, combination, and trapping licenses. The new fee is projected to generate \$902,727 in revenues over the 2003-05 biennium that are intended to fund wildlife habitat restoration and rehabilitation programs statewide. A new Upland Game Bird fee of \$10 assessed on all upland game bird licenses is estimated to generate \$400,000 per year and is designed to support the protection and promulgation of upland game birds, along with the acquisition, development and preservation of their habitats. The additional funds are placed into reserves until such time the department approaches the Interim Finance Committee when specific projects are identified. The Legislature also approved an increase in ducks stamp fees from \$5 to \$10, which is estimated to generate an additional \$76,044 over the 2003-05 biennium.

WILDLIFE TROUT MANAGEMENT

The Trout Management account receives funding from the sale of trout stamps statewide and federal sportfish funds to support Nevada's four fish hatcheries. The 2001 Legislature approved Assembly Bill 199 raising the trout stamp fee from \$5 to \$10 to support a statewide hatchery refurbishment project funded with general obligation funds totaling \$3.03 million in the 2001-03 biennium. The 2003 Legislature approved Senate Bill 416 authorizing the sale of an additional \$14 million in general obligation bonds over the 2003- 05 biennium to continue the hatchery refurbishment program (CIP 03-C12). Debt servicing for the bonds will continue to come from the collection of trout stamp fees and federal sportfish funds.

NEVADA DEPARTMENT OF TRANSPORTATION

The Nevada Department of Transportation (NDOT) is funded through federal funds, dedicated state highway user revenues, and special revenue bonds. For the 2003-05 biennium, funding approved for the Department of Transportation totals \$1.29 billion, which is 0.9 percent less than the amount approved for the 2001-03 biennium. The highway fund portion for the department totals \$559.8 million, which is 6.2 percent greater than the amount approved for the 2001-03 biennium.

The 2003 Legislature concurred with the Governor's recommendation to provide the department with the authority to issue general obligation bonds in the amount of \$135 million in FY 2003-04 and \$190 million in FY 2004-05. Proceeds from the bonds will be used to partially fund the design and construction of five "super projects". The projects include: the north leg of the Carson City by-pass;

widening of I-15 between Las Vegas and the California state line; modification and widening of US 95 in North Las Vegas; construction of bridge structures for the Reno-Carson City freeway; and the I-215/515 interchange in Las Vegas.

The 2003 Legislature approved the Governor's recommendation to add 42 new positions to meet Nevada's increasing highway construction and maintenance needs. In addition, the Legislature approved, with only minor technical adjustments to the Governor's recommendations, funding of \$24.1 million to upgrade and expand the department's mobile, fleet and operational equipment over the biennium; \$2.1 million over the biennium, for ongoing aircraft operations; and \$3.8 million over the biennium for automation projects and communications system upgrades. The Legislature also approved approximately \$9.8 million over the biennium for increased general administration and operating costs and \$14.1 for the maintenance of NDOT-owned facilities statewide.

The 2003 Legislature approved Assembly Bill 519, which in part, authorizes the addition of a new Deputy Director position for the Las Vegas area. Assembly Bill 7 as approved by the 2003 Legislature, lowers the concentration of alcohol that may be present in the blood while operating a vehicle or vessel from .10 to .08. This meets a federal mandate to adopt the federal .08 blood alcohol standard and avoids the potential loss of federal highway funds to Nevada for the 2003-05 biennium.

COLORADO RIVER COMMISSION

The Colorado River Commission (CRC), which is governed by a seven-member board appointed by the Governor, is responsible for acquiring, managing, and protecting Nevada's water and hydropower resources from the Colorado River for the residents of southern Nevada. This fund is supported by an administrative charge on the sale of electric power to the commission's customers and the Southern Nevada Water Authority (SNWA). Additional miscellaneous revenues are received through the sale of raw water to a number of small water users along the Colorado River and from interest income derived from the investment of funds by the state. The Commission operates without federal funding or state General Fund Appropriations. Assembly Bill 542, as adopted by the 1995 Legislature, provided for the transfer of two water treatment plants owned by the CRC to the SNWA. The legislation also directed the SNWA to provide payment to the CRC for all water-related expenses, and directed the CRC to focus its efforts on issues relating to water acquisition, continued management of the power generators at Hoover Dam, and resource management of the Colorado River.

For the 2003-05 biennium, The Executive Budget recommended eight new unclassified positions to accommodate planned growth. The 2003 Legislature approved five of the positions for the first year of the biennium, which includes an Assistant Director of Energy Information Systems, two Natural Resource Specialists, a Senior Power Facilities Engineer and a Senior Power Facilities Electrician. Three positions were deferred until the second year of the biennium

and include one Natural Resource Specialist and two Natural Resource Technicians.

The Governor also recommended and the Legislature approved \$450,000 in each year of the 2003-05 biennium to fund contracts for environmental research and development-related studies, pursuant to NRS Chapter 538.226. Chapter 538.226 grants the CRC the authority to enter into contracts up to \$200,000 for the services of an independent contractor related to the acquisition of an interest in supplemental water. It also provides authority for the CRC to enter into contracts up to \$250,000 for studies or the implementation of projects relating to water quality, evaluation or enhancement of ecological habitat or weather modification. By statute, actual contract expenditures would be funded by the SNWA.

The Legislature concurred with the Governor's recommended budget to fund \$401,077 in FY 2003-04 and \$405,433 in FY 2004-05 for travel, contract services and operating costs for Colorado River basin water and environmental affairs programs, federal hydropower programs, and electric power activities. The Governor also recommended and the Legislature approved a \$330,370 reduction in expenditures over the 2003-05 biennium by the elimination of three vacant, classified positions and associated costs: one Engineering Technician IV, one Registered Professional Engineer, and one Administrative Assistant I. The positions were eliminated in accordance with the Governor's budget reduction initiative. The Legislature also reduced computer hardware and software costs by \$15,805 in FY 2003-04 and \$14,137 in FY 2004-05 based on revised pricing from the State Purchasing Division.

The Legislature approved the Commission's Power Delivery System and Power Marketing Fund budgets as recommended by the Governor. The Power Delivery System budget accounts for all of the costs associated with the CRC high-voltage power delivery system for the SNWA water delivery system. Senate Bill 211 as approved by the 2001 Legislature, provides CRC the authority to provide energy, transmission, and distribution services to the SNWA and its member agencies (collectively known as the Senate Bill 211 customers) for their water and wastewater operation power needs. Funding is provided through monthly billings to the SNWA. Total funding approved in the Power Delivery System account to meet the increasing needs of the SNWA totals \$123 million in FY 2003-04 and \$133 million in FY 2004-05, compared to the FY 2002-03 work program amount of \$88 million. The Power Marketing Fund budget accounts for all power-related activities except those dedicated to the Southern Nevada Water Authority system and Senate Bill 211 customers. Approved funding totals \$269 million in FY 2003-04 and \$297 million in FY 2004-05, compared to the FY 2002-03 work program amount of \$250 million. Funding is provided through monthly billings to hydropower customers.

Nevada Legislative Counsel Bureau
Summary of Appropriations and Authorizations (Detail)

2003 Legislature

	2002 - 03 Work Program	2003 - 04 Governor Recommended	2003 - 04 Legislature Approved	2004 - 05 Governor Recommended	2004 - 05 Legislature Approved
INFRASTRUCTURE					
CONSERVATION & NATURAL RESOURCES					
CNR ADMINISTRATION	1,597,573	1,159,219	1,086,030	1,141,397	1,072,440
GENERAL FUND	1,551,244	914,284	910,037	898,394	897,124
BALANCE FORWARD	3,696	2,700	2,700	3,900	3,900
INTER AGENCY TRANSFER	35,513	239,835	170,893	236,703	169,016
OTHER FUND	7,120	2,400	2,400	2,400	2,400
STATE ENVIRONMENTAL COMMISSION	39,485	40,336	40,269	40,336	40,268
INTER AGENCY TRANSFER	10,003	10,184	10,167	10,183	10,166
OTHER FUND	29,482	30,152	30,102	30,153	30,102
HEIL WILD HORSE BEQUEST	958,814	726,613	726,613	661,441	650,480
BALANCE FORWARD	892,532	706,980	706,980	643,641	632,680
OTHER FUND	66,282	19,633	19,633	17,800	17,800
ENVIRONMENTAL PROTECTION ADMINISTR	2,865,966	3,660,199	3,660,199	3,710,083	3,566,574
BALANCE FORWARD	732,727	471,755	471,755	428,832	285,323
INTER AGENCY TRANSFER	2,133,239	3,188,444	3,188,444	3,281,251	3,281,251
DEP AIR QUALITY	3,960,648	4,390,026	4,364,320	4,899,699	4,540,372
BALANCE FORWARD	233,476	204,855	204,855	329,782	311,665
FEDERAL FUND	1,040,146	852,954	826,888	972,360	830,470
INTER AGENCY TRANSFER	961,993	1,837,981	1,777,981	1,944,303	1,644,303
OTHER FUND	1,725,033	1,494,236	1,554,596	1,653,254	1,753,934
DEP WATER POLUTION CONTROL	10,058,212	5,125,729	5,119,035	5,459,295	5,451,460
GENERAL FUND	368,221	3,977		4,088	
BALANCE FORWARD	1,042,455	805,049	805,049	1,160,142	1,158,857
FEDERAL FUND	5,905,251	1,219,589	1,216,872	1,215,042	1,212,580
INTER AGENCY TRANSFER	1,245,445	927,621	927,621	926,921	926,921
OTHER FUND	1,496,840	2,169,493	2,169,493	2,153,102	2,153,102
DEP WATER QUALITY PLANNING		3,896,966	3,900,328	3,922,496	3,929,124
GENERAL FUND		355,381	359,358	355,381	359,469
BALANCE FORWARD		142,516	142,516	166,732	171,642
FEDERAL FUND		3,200,283	3,199,668	3,201,597	3,199,227
OTHER FUND		198,786	198,786	198,786	198,786
DEP WASTE MGMT AND FEDERAL FACILITII	12,092,944	9,574,518	9,565,427	9,467,905	9,474,397
BALANCE FORWARD	263,239	774,918	774,918	412,364	418,866
FEDERAL FUND	4,477,877	2,441,655	2,441,765	2,535,349	2,535,459
OTHER FUND	7,351,828	6,357,945	6,348,744	6,520,192	6,520,072
SAFE WATER DRINKING ACT	18,547,311	9,409,714	9,409,714	9,414,848	9,414,848
BALANCE FORWARD	4,619,365				
FEDERAL FUND	11,260,946	6,383,971	6,383,971	6,389,105	6,389,105
OTHER FUND	2,667,000	3,025,743	3,025,743	3,025,743	3,025,743
BUREAU - FEDERAL FACILITIES	500,000	1,708,387	1,716,000	1,629,507	1,638,928
BALANCE FORWARD		277,018	277,018	102,299	112,911
FEDERAL FUND	500,000	786,507	785,558	800,408	799,616
INTER AGENCY TRANSFER		64,429	64,429	97,449	97,449
OTHER FUND		580,433	588,995	629,351	628,952

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CONSERVATION & NATURAL RESOURCES					
DEP MINING REGULATION/RECLAMATION	3,044,180	2,843,498	2,843,498	3,012,506	3,019,115
BALANCE FORWARD	1,065,993	791,775	791,775	960,783	967,392
OTHER FUND	1,978,187	2,051,723	2,051,723	2,051,723	2,051,723
WATER PLANNING CAP IMPROVEMENT	177,737	183,719	183,557	179,211	179,574
BALANCE FORWARD	34,142	16,075	16,075	23,767	24,175
OTHER FUND	143,595	167,644	167,482	155,444	155,399
DIVISION OF CONSERVATION DISTRICTS	334,406	352,499	359,607	360,754	367,919
GENERAL FUND	318,620	333,679	340,731	341,061	348,156
BALANCE FORWARD	150	150	150		
OTHER FUND	15,636	18,670	18,726	19,693	19,763
STATE LANDS	1,285,906	1,628,956	1,646,802	1,630,679	1,637,404
GENERAL FUND	1,081,575	1,102,836	1,107,898	1,117,783	1,127,783
OTHER FUND	204,331	526,120	538,904	512,896	509,621
NEVADA TAHOE REGIONAL PLANNING AGE	10,473	474	474	474	474
GENERAL FUND	473	474	474	474	474
OTHER FUND	10,000				
FORESTRY	7,758,963	9,357,061	9,331,759	8,841,026	8,815,215
GENERAL FUND	2,803,399	3,782,333	3,737,073	3,854,839	3,808,236
BALANCE FORWARD	295,810	62,213	62,213	72,213	72,213
FEDERAL FUND	3,740,782	4,696,235	4,706,665	4,095,507	4,106,663
INTER AGENCY TRANSFER	581,572	500,550	544,723	502,640	546,919
INTERIM FINANCE	9,500				
OTHER FUND	327,900	315,730	281,085	315,827	281,184
FOREST FIRE SUPPRESSION	9,512,582	5,894,742	5,978,936	5,894,817	5,976,456
GENERAL FUND	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
BALANCE FORWARD	86,049				
INTERIM FINANCE	1,500,000				
OTHER FUND	6,926,533	4,894,742	4,978,936	4,894,817	4,976,456
FORESTRY HONOR CAMPS	6,841,253	7,487,459	7,789,174	7,628,058	7,931,776
GENERAL FUND	4,745,457	5,339,412	5,586,996	5,463,980	5,714,923
OTHER FUND	2,095,796	2,148,047	2,202,178	2,164,078	2,216,853
CNR FORESTRY INTER-GOVERNMENTAL AC	10,102,543	8,057,367	8,057,367	8,564,309	8,547,309
BALANCE FORWARD	3,253,016	1,140,909	1,140,909	1,647,851	1,630,851
INTER AGENCY TRANSFER	200,812	233,028	233,028	233,028	233,028
OTHER FUND	6,648,715	6,683,430	6,683,430	6,683,430	6,683,430
FORESTRY NURSERIES	772,415	658,133	658,133	678,692	678,462
BALANCE FORWARD	399,580	383,928	383,928	404,487	404,257
FEDERAL FUND	20,000	20,000	20,000	20,000	20,000
INTER AGENCY TRANSFER	29,171	21,521	21,521	21,521	21,521
OTHER FUND	323,664	232,684	232,684	232,684	232,684

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CONSERVATION & NATURAL RESOURCES					
WATER RESOURCES	4,569,699	5,005,059	5,009,595	5,083,393	5,087,972
GENERAL FUND	4,037,131	4,601,686	4,603,710	4,675,213	4,677,258
BALANCE FORWARD	134,535	119,359	119,359	121,725	121,725
FEDERAL FUND	241,798	128,260	128,260	128,260	128,260
OTHER FUND	156,235	155,754	158,266	158,195	160,729
STATE PARKS	9,569,705	10,584,921	10,565,339	10,560,744	10,564,292
GENERAL FUND	3,423,917	5,359,500	5,378,709	4,631,888	4,450,557
BALANCE FORWARD	1,375,196				
FEDERAL FUND	205,597	55,434	57,721	57,201	60,234
INTER AGENCY TRANSFER	900,186	229,797	223,892	905,655	1,112,079
OTHER FUND	3,664,809	4,940,190	4,905,017	4,966,000	4,941,422
NEVADA NATURAL HERITAGE	628,194	651,284	649,188	550,823	546,081
GENERAL FUND	73,418	84,363	84,363	84,188	84,188
BALANCE FORWARD	51,528	34,273	34,273	44,932	44,932
FEDERAL FUND	185,265	172,357	171,788	136,036	134,205
INTER AGENCY TRANSFER	309,711	349,933	348,406	275,309	272,398
OTHER FUND	8,272	10,358	10,358	10,358	10,358
TAHOE REGIONAL PLANNING AGENCY	8,036,079	8,292,131	8,591,506	8,368,826	8,368,826
GENERAL FUND	1,513,393	1,374,372	1,374,372	1,376,286	1,376,286
FEDERAL FUND	1,350,000	2,335,357	2,335,357	2,348,021	2,348,021
INTER AGENCY TRANSFER	72,000	77,760	77,760	77,760	77,760
OTHER FUND	5,100,686	4,504,642	4,804,017	4,566,759	4,566,759
SUB-FUNCTION RECAP					
CONSERVATION & NATURAL RESOURCE!	113,265,088	100,689,010	101,252,870	101,701,319	101,499,766
GENERAL FUND	20,916,848	24,252,297	24,483,721	23,803,575	23,844,454
BALANCE FORWARD	14,483,489	5,934,473	5,934,473	6,523,450	6,361,389
FEDERAL FUND	28,927,662	22,292,602	22,274,513	21,898,886	21,763,840
INTER AGENCY TRANSFER	6,479,645	7,681,083	7,588,865	8,512,723	8,392,811
INTERIM FINANCE	1,509,500				
OTHER FUND	40,947,944	40,528,555	40,971,298	40,962,685	41,137,272

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INFRASTRUCTURE					
DEPARTMENT OF WILDLIFE					
WILDLIFE	25,971,448	24,422,473	24,255,464	24,195,546	24,225,550
GENERAL FUND	699,071	876,421	676,421	875,509	675,509
BALANCE FORWARD	4,499,996	2,923,277	2,923,277	1,766,383	1,710,348
FEDERAL FUND	7,940,697	8,353,039	8,353,039	8,447,822	8,447,822
INTER AGENCY TRANSFER	3,849,843	3,438,704	3,438,704	3,537,234	3,537,234
OTHER FUND	8,981,841	8,831,032	8,864,023	9,568,598	9,854,637
WILDLIFE - BOATING PROGRAM	7,473,413	5,338,865	5,338,865	6,056,830	6,107,849
BALANCE FORWARD	1,882,043	464,900	464,900	898,347	949,366
FEDERAL FUND	2,242,013	924,013	924,013	1,110,763	1,110,763
OTHER FUND	3,349,357	3,949,952	3,949,952	4,047,720	4,047,720
WILDLIFE ACCOUNT - TROUT MANAGEMEN	4,249,374	15,178,935	16,472,676	4,360,778	9,173,988
BALANCE FORWARD	1,709,489	1,393,587	3,187,328	1,106,460	5,919,670
FEDERAL FUND	668,173	350,000	350,000	350,000	350,000
OTHER FUND	1,871,712	13,435,348	12,935,348	2,904,318	2,904,318
WILDLIFE OBLIGATED RESERVE	3,324,960	3,954,331	4,298,603	3,788,545	5,382,875
BALANCE FORWARD	1,963,114	1,956,685	1,956,685	1,740,581	2,784,852
FEDERAL FUND	659,093	981,371	981,371	1,019,837	1,019,837
INTER AGENCY TRANSFER	170,286	137,787	137,787	137,787	137,787
OTHER FUND	532,467	878,488	1,222,760	890,340	1,440,399
SUB-FUNCTION RECAP					
DEPARTMENT OF WILDLIFE	41,019,195	48,894,604	50,365,608	38,401,699	44,890,262
GENERAL FUND	699,071	876,421	676,421	875,509	675,509
BALANCE FORWARD	10,054,642	6,738,449	8,532,190	5,511,771	11,364,236
FEDERAL FUND	11,509,976	10,608,423	10,608,423	10,928,422	10,928,422
INTER AGENCY TRANSFER	4,020,129	3,576,491	3,576,491	3,675,021	3,675,021
OTHER FUND	14,735,377	27,094,820	26,972,083	17,410,976	18,247,074
DEPARTMENT OF TRANSPORTATION					
TRANSPORTATION ADMINISTRATION	699,190,104	619,849,882	618,832,152	670,278,521	669,759,687
BALANCE FORWARD	1,431,944				
FEDERAL FUND	208,698,975	200,000,000	200,000,000	200,000,000	200,000,000
HIGHWAY FUND	287,739,363	282,970,102	281,952,372	278,413,658	277,894,824
INTER AGENCY TRANSFER	1,350,034	1,336,886	1,336,886	1,336,886	1,336,886
OTHER FUND	199,969,788	135,542,894	135,542,894	190,527,977	190,527,977
SUB-FUNCTION RECAP					
DEPARTMENT OF TRANSPORTATION	699,190,104	619,849,882	618,832,152	670,278,521	669,759,687
BALANCE FORWARD	1,431,944				
FEDERAL FUND	208,698,975	200,000,000	200,000,000	200,000,000	200,000,000
HIGHWAY FUND	287,739,363	282,970,102	281,952,372	278,413,658	277,894,824
INTER AGENCY TRANSFER	1,350,034	1,336,886	1,336,886	1,336,886	1,336,886
OTHER FUND	199,969,788	135,542,894	135,542,894	190,527,977	190,527,977

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INFRASTRUCTURE					
COLORADO RIVER COMMISSION					
COLORADO RIVER COMMISSION	3,828,904	6,124,087	6,124,087	7,216,439	7,362,722
BALANCE FORWARD	742,255	957	957	341,573	487,856
INTER AGENCY TRANSFER	761,111	1,234,937	1,234,937	1,234,937	1,234,937
OTHER FUND	2,325,538	4,888,193	4,888,193	5,639,929	5,639,929
CRC RESEARCH AND DEVELOPMENT	689,381	804,012	804,012	793,472	823,474
BALANCE FORWARD	267,629	284,550	284,550	274,010	304,012
OTHER FUND	421,752	519,462	519,462	519,462	519,462
POWER DELIVERY SYSTEM	88,096,826	123,048,805	123,048,805	132,862,348	132,862,755
BALANCE FORWARD	609,118	608,936	608,936		407
OTHER FUND	87,487,708	122,439,869	122,439,869	132,862,348	132,862,348
FORT MOHAVE DEVELOPMENT FUND	1,870,927	1,962,590	1,962,590	867,478	1,267,478
BALANCE FORWARD	1,754,023	1,823,027	1,823,027	727,915	1,127,915
OTHER FUND	116,904	139,563	139,563	139,563	139,563
POWER MARKETING FUND	249,791,814	269,352,401	269,352,401	297,223,791	297,223,791
BALANCE FORWARD	40,137,090	40,591,452	40,591,452	53,632,842	53,632,842
OTHER FUND	209,654,724	228,760,949	228,760,949	243,590,949	243,590,949
SUB-FUNCTION RECAP					
COLORADO RIVER COMMISSION	344,277,852	401,291,895	401,291,895	438,963,528	439,540,220
BALANCE FORWARD	43,510,115	43,308,922	43,308,922	54,976,340	55,553,032
INTER AGENCY TRANSFER	761,111	1,234,937	1,234,937	1,234,937	1,234,937
OTHER FUND	300,006,626	356,748,036	356,748,036	382,752,251	382,752,251
FUNCTION RECAP					
TOTAL INFRASTRUCTURE	1,197,752,239	1,170,725,391	1,171,742,525	1,249,345,067	1,255,689,935
GENERAL FUND	21,615,919	25,128,718	25,160,142	24,679,084	24,519,963
BALANCE FORWARD	69,480,190	55,981,844	57,775,585	67,011,561	73,278,657
FEDERAL FUND	249,136,613	232,901,025	232,882,936	232,827,308	232,692,262
HIGHWAY FUND	287,739,363	282,970,102	281,952,372	278,413,658	277,894,824
INTER AGENCY TRANSFER	12,610,919	13,829,397	13,737,179	14,759,567	14,639,655
INTERIM FINANCE	1,509,500				
OTHER FUND	555,659,735	559,914,305	560,234,311	631,653,889	632,664,574
TOTAL INFRASTRUCTURE	1,197,752,239	1,170,725,391	1,171,742,525	1,249,345,067	1,255,689,935
LESS: INTER AGENCY TRANSFER	12,610,919	13,829,397	13,737,179	14,759,567	14,639,655
NET: INFRASTRUCTURE	1,185,141,320	1,156,895,994	1,158,005,346	1,234,585,500	1,241,050,280