

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON FINANCE

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
March 24, 1981

The meeting of the Senate Committee on Finance was called to order by Vice Chairman James I. Gibson, at 7:00 a.m., Tuesday, March 24, 1981, in Room 231 of the Nevada State Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator James I. Gibson, Vice Chairman
Senator Norman D. Glaser
Senator Eugene V. Echols
Senator Lawrence E. Jacobsen
Senator Thomas R.C. Wilson
Senator Clifford E. McCorkle

COMMITTEE MEMBERS ABSENT:

Senator Floyd R. Lamb (excused)

STAFF MEMBERS PRESENT:

Ronald W. Sparks, Chief Fiscal Analyst
Dan Miles, Deputy Fiscal Analyst
Tracy L. Dukic, Secretary

OTHERS PRESENT:

(Please see Exhibit B)

The meeting was called to order at 7:00 a.m. by Vice Chairman James I. Gibson. The first budget presentation was made by S. Barton Jacka, Director of the Department of Motor Vehicles, and he presented the budget for the Highway Patrol Division.

HIGHWAY PATROL DIVISION

Mr. Jacka began by giving a breakdown of the fund accounting system. He said that there would be a request for three additional positions: (1) a request for a sergeant assigned to the Governor's security force, which would be funded from the General Fund; (2) a request for permission to reclassify six Communications Specialist II positions to Communication Computer Specialist II positions with commensurate salary increases included, and (3) a request for two additional Special Officer positions, which would be a pilot program.

OPERATING BUDGET

Mr. Jacka told the committee that, by law, the State is mandated to print the Highway Patrol accident report forms which are used by all agencies. He said that these forms have been changed, and this necessitated a reprint which has resulted in a shortage of funds in the operating budget. He said that this may necessitate some augmentation by the Legislature in order to meet their proposed operating expenses for the coming biennium.

VEHICLE OPERATIONS. Mr. Jacka told the committee that the Governor did not wish to reduce the service provided to date by the Highway Patrol; therefore, there is a request to have the level of service maintained last biennium continued into this biennium. This formula was arrived at by multiplying the number of vehicles, 99, times the average number of miles for each patrol vehicle, 27,925 miles, times the estimated cost per mile, 17 cents per mile, which gave them the estimated funding the Highway Patrol would need to operate at the same level of service at they had last year. There is also an inflationary cost factor of 2 cents per mile increase in the second year of the biennium.

Senator McCorkle asked if the 17 cents per mile figure accounts for the gasoline expense only.

Mr. Jacka replied that the 17¢ per mile accounts for the cost of wear and tear on the vehicles and the estimated gasoline allowance. He stated that this is only a 2¢ a mile increase over last year. Included in the total figure for service expense is the addition of 20 more patrolmen, which was granted by the Legislature last session, and the increased cost of fuel and service. He went on to explain further how they arrived at the formula for the average yearly mileage of a patrol vehicle of 27,935 miles per year; he said that they took random sampling of various patrol units from both rural and urban areas, examined the costs involved and the number of miles driven per day per vehicle and computed an average figure per vehicle per year.

Senator Echols raised serious doubt as to whether the funds generated from the 17¢ per mile figure will provide enough income to meet the Vehicle Operations budget.

Mr. Jacka referred the committee to the Program Statement for the Highway Patrol Division's Vehicle Operations' category and told the committee that what is not reflected in this budget is the fact that they are drawing funds from other operating budgets in order to supplement Vehicle Operations. He added, though, that it may very well be necessary to come back to Interim Finance and have the additional funds appropriated.

Senator Gibson raised a question as to whether or not Interim Finance has the authority to appropriate monies from the State Highway Fund for this purpose, and if it wouldn't be better to deal with the problem now.

Mr. Barrett interjected a comment that the money, if necessary, could be appropriated out of the State Contingency Fund in order to meet the expenses of Vehicle Operations.

Mr. Sparks asked if this procedure was instituted during the interim, could the monies be repaid to the Highway Fund. Mr. Barrett replied that this could be done.

OTHER FURNITURE AND EQUIPMENT

Mr. Jacka told the committee that he had lowered the Highway Patrol's request for this budget category by \$750,000 and then had turned it over to the Budget Division for further scrutiny.

He told the committee that there is current legislation before the Legislature providing the necessary funding to re-outfit the lighting system on the hoods of the Highway Patrol vehicles. He said that the inside mounting fixtures, deckmount lights, are much cheaper to replace providing a savings of approximately \$400 per vehicle, and a 7% fuel savings by eliminating the wind resistance currently experienced with the outside lighting system. He said that the appropriation is for approximately \$160,000, which will replace the lighting system of two-third's of the fleet.

Senate Committee on Finance
March 24, 1981

Mr. Jacka continued on, listing the other equipment replacement appropriations, including a request for 67 additional shotguns to replace shotguns that were purchased four years ago and are malfunctioning.

Senator Jacobsen asked if these shotguns would have any redemption value. Mr. Jacka replied that normally all items do have redemption value, but because of the malfunctions associated with this particular brand of shotgun, he did not seem encouraged that this model would have any surplus value.

Mr. Jacka added that there is an allocated sum of \$12,720 for the biennium which is primarily for the usage of the SCOPE system which the Clark County Data Processing Center charged the Highway Patrol Division. He added that for the first time, the Highway Patrol Special and Regular funds have split the burden of the cost of the Communications Board Assessment between the two of them.

HIGHWAY PATROL VEHICLES. Mr. Jacka indicated that budget contains a request for 24 new vehicles and two additional small vehicles to be purchased if the two additional Special Officer positions are granted. He suggested that the committee look into Assembly Bill No. 274 regarding the proposed \$10,000 allocated for the unit price of the 24 new automobiles to be purchased for the Highway Patrol.

Mr. Jacka told the committee that, in regard to the self-insurance program currently underway in the Division, he feels that the program must be given at least two more years to determine its cost-effectiveness; he said this program has only just broken even this year.

TRAINING BUDGETS. Mr. Jacka told the committee that this budget provides for one training academy per year to train 11 officers in a fourteen-week program.

STATE SWITCHING SYSTEM. Mr. Jacka gave the committee a brief historical background on the development of the State switching system that is utilized by the law enforcement entities, the Department of Motor Vehicles and some of the Federal agencies, as well. He said that prior to the last biennium, this switching system handled all of the information connected with these agencies, particularly in regard to the operations of the law enforcement. He said it was proposed to place this operating budget for this system with the Division of the Highway Patrol, and, once it was approved through the legislative process, this became an effective operating system in 1979.

Since that time, the switching system has developed certain flaws which the DMV and especially the law enforcement agencies have determined necessitate its replacement. They feel the system is too slow to respond to inquiries, of which, there are approximately 15,000 messages or inquiries every twenty-four hours and, there has been too much down-time; (Mr. Jacka cited one period in which there was 103 hours of down-time for the switching system).

Mr. Jacka told the committee that, upon a review with the Budget Division, he came to the conclusion that it was an equitable practice to allow the User Committee to determine the user rates for this system when he had the responsibility of operating the switching system. He said that Mr. Barrett, Chief of the Budget Division, has also expressed the opinion that support for this system should be drawn more from the local government resources that utilized the system rather than having the system remain dependent on the legislative fund sources. He said that they have

Senate Committee on Finance
March 24, 1981

come up with an alternate proposal that the system be funded to a maximum of \$150,000 per year for the next biennium, with an exception; that in the first year, the DMV be granted sufficient monies to purchase a backup redundant computer and the inclusion of the line cost throughout the State to run the system.

Mr. Jacka went on to explain that there are currently six low speed lines utilized in the northern and southern parts of the State. He said that the performance of the current system is more than undesirable; that it has cost law enforcement valuable time when operating in the field and otherwise. He said that the telephone company has proposed an alternate plan, whereby, two highspeed lines could be installed for each part of the State and increase the access capability and reduce costs at the same time.

Mr. Jacka said that his recommendation is, that as part of the \$150,000 maximum subsidy, the DMV will be responsible to foot the bill for all the line costs throughout the State for law enforcement, for related costs for maintenance, system reserve and training and printing to operate the computer in Carson City, and that either a user or local law enforcement be responsible for the cost of each of their terminal units that would give them access to the switch. He said that the unit cost to local government would be \$398 per month plus a one-time installation charge of \$324.80. He said that there is an additional proposal that every law enforcement agency, and excluding Federal agencies with the exception of the FBI, be given one hookup to the system with no user fee cost, and the cost breakdown is as follows:

1 to 5 units	-	\$100 per department
6 to 10 units	-	\$200 per department
11 to 15 units	-	\$300 per department, and so on.

He said that, based upon the present number of users, that would have generated \$52,800 in user fees to the General Fund. After a meeting with the local law enforcement agencies, there has been a modification in their hookup requests, and that figure is now \$32,400. He stated that in the second year of the biennium, there is a request for funding up to \$175,000 to cover the line costs and related costs for the system. He told the committee that at the end of the biennium, the system is being proposed as being self-supporting, and the Highway Patrol Regular Fund appropriation will have to be increased if this proposal is accepted.

Senator McCorkle asked if at the end of the biennium, the monies subsidized to start the program would be returned.

Mr. Jacka told him that the cost would have to be increased to the user agencies in order to pay this money back. He stated that the law enforcement agencies are not willing to do that, and he presented Assistant Sheriff Larry Ketzenberger, Las Vegas Metropolitan Police Department, to explain their stance.

Mr. Ketzenberger spoke briefly and explained the counter proposal. He said that the general feeling among law enforcement agencies is that the State has a responsibility to support local law enforcement and that the law enforcement agencies should only be responsible to pay the line costs.

Senate Committee on Finance
March 24, 1981

Senator Gibson asked if this budget proposal included the system being provided to the Gaming Control Board.

Mr. Barrett replied that this proposal is based upon the Gaming Control Board having their own radio control system but still having access to the switching system.

Senator Gibson noted that on page 921 of the budget document the Gaming Control Board's funding has been removed. Mr. Jacka replied that there is no dependency in this budget based upon funding from the Gaming Control Board.

Senator Gibson asked if the budget for the switching system is the budget that contains the dispatcher. Mr. Jacka replied that it is.

Mr. Jacka also indicated that, as otherwise indicated, the DMV would be able to handle the Gaming Control Board's dispatch load capability within the limits of the requested personnel. He said that if they required more communication beyond current levels, then that would cause some concern in regard to the dispatch load. He said that if the load for the Gaming Control Board becomes busier, they can merely add additional dispatch personnel. He also indicated that there can be additional equipment that can be purchased for the Gaming Control Board that would enable them to utilize a mobile surveillance system. He told the committee that he has submitted material to Senator Lamb explaining the cost breakdown from the State Communications Board to purchase those capabilities. Mr. Jacka told the committee that they can refer to appendices A, B, C and D to understand the full capabilities of the proposed system.

Senator Jacobsen noted that in the report given to the committee that the present system being utilized to perform this function is already operating at full capacity.

Mr. Jacka responded that the present system is already saturated beyond capacity, and he stated that is the reason for spending \$32,400 currently proposed for this year's budget, to expand the memory and disc storage capacity.

HIGHWAY PATROL SPECIAL FUND Mr. Jacka told the committee that this fund is totally self-sufficient as a result of the revenues generated from the registration fees for vehicles in the State of Nevada. He said that these fees directly fund the costs of employing 90 Highway Patrolmen. He said that, in order to meet the budget requirements for this coming biennium, with no additional personnel for the next biennium, that it will be necessary to raise the registration fee from \$3.00 to \$4.00 per vehicle.

Senator Gibson noted that as a part of the original purpose of the Highway Patrol Special Fund one of the guidelines was that the Highway Patrol was directed to live within its means, and he said that it appears they are not attempting to do this.

Mr. Jacka replied that the increases in this budget are due to the necessary pay increases and inflationary costs. He said that because of these two factors the budget will be \$500,000 short in the second year of the biennium, but that the increase in the registration fee will compensate for these factors of increase.

Mr. Jacka went on to explain that the Highway Patrol Special Fund only includes the funding necessary for paying the costs involved with employing the 90 Highway Patrolmen; that the Regular Fund would include those costs related to the total operation of the Highway Patrol Division, including office and clerical staff and dispatch personnel.

Senate Committee on Finance
March 24, 1981

Senator Echols noted that the distribution of Highway Patrolmen does not correlate with the population dispersal throughout the State, and he asked Mr. Jacka to explain the reason for this discrepancy.

Mr. Jacka stated that the basis for prioritizing the dispersal of Highway Patrol officers throughout the State is not based upon population dispersal but upon the number of calls received for service, the severity of the calls and the fatality rate statewide.

Senator McCorkle asked why, based upon the fact that the majority of officers are placed in the northern portion of the State, is the northern part of the State considered so much more hazardous.

Colonel Peter J. Zadra, Chief, Nevada Highway Patrol Division, replied that the northern section of the State includes roughly half of the State in which there are long distances to cover with more hazardous road conditions while the southern section of the State's activity is mostly concentrated in the Las Vegas area.

Senator Gibson asked if this budget contains the proposed pay and fee increase or not. Mr. Jacka replied that the Highway Patrol Special budget does contain the pay raise and includes the one dollar registration increase.

HIGHWAY PATROL COMMUNICATIONS SECTION

Mr. Jacka recited the purposes and responsibilities of this department. He told the committee that traditionally, this budget account has always been funded by requesting a General Fund appropriation, but this biennium the efforts that have been made to make the system self-supporting by generating revenues from user fees have been successful, and it will not be necessary to augment the budget by appropriating monies from the General Fund. He stated that last year, they eliminated a clerical support position in order to economize and contracted with a firm to provide those services. They have found that this was not cost-effective, therefore, they are requesting a half-time Management Assistant I position to do the clerical work that is necessary for the Communications Board.

Mr. Jacka said that there will be no additional users than the ones that are currently housed in their sites. He said that there is a charge to the user of \$2,000 per microwave link, and that is how they have generated the sums of \$255,000 in the first year of the biennium and \$287,100 in the second year for radio system users.

Mr. Jacka said that the budget incorporates the purchase of specialized equipment that is necessary within the microwave operation, and he explained that the cost would be \$52,420 in the first year of the biennium and \$65,885 in the second year. He went on to list the equipment that would be purchased with this money and their functions.

Mr. Jacka said that they have built in a reserve this biennium in this budget of a minimum of 10% of the Budget Division's calculations, but they have come up with a larger reserve than that. It has been placed in a category called "Vehicle and Equipment Reserve," which is an effort on the part of the Communications Board to build a fund which will enable them to replace used or worn out equipment.

Senator Gibson asked if the figures reflected in the Reserve Fund for Vehicles and Equipment was a cumulative number or a total number of dollars. Mr. Barrett replied that these figures are cumulative.

Senate Committee on Finance
March 24, 1981

Senator Jacobsen asked Mr. Jacka to explain the site and road maintenance category and, whether or not they are utilizing inmate labor.

Mr. Jacka replied that these are fees which they pay to the Division of Forestry and the Department of Transportation in order to utilize their equipment and labor, and as part of the Forestry program, they are utilizing their prison inmate labor force.

TRAFFIC SAFETY DIVISION

Mr. Jacka introduced Mr. David Lawson, Coordinator for the Traffic Safety Division to the committee.

Mr. Jacka began by reminding the committee that this Division is no longer a part of the Governor's Office and is now a part of the Department of Motor Vehicles. He said that there are no new positions being requested for this biennium. He also informed the committee that they have received information that, according to President Reagan's proposed budget cutbacks, the funding for the Traffic Safety Division will be reduced from a previously allocated sum of \$244 million dollars nationwide to \$77 million dollars this year, with those areas preserved for funding to be Alcohol Safety, Police Traffic Safety, Emergency Medical Services and Traffic Records. He said that there is nothing in the way of a firm commitment from the Federal Government, although Mr. Jacka said that he had prepared an alternative proposal in the event these funds are reduced as previously stated.

Mr. Jacka said that the Traffic Safety Division, which is primarily a Federal pass-through account, delegates 40% of its total funding to local government to support traffic related functions, for law enforcement and public works support. He said that they presently have nine and a half positions, of which, three and a half are totally federally funded. He said that the proposed cutback would reduce their funding level to the level allocated in 1968, when the program began, and he proposed to reduce the staff positions to three people..one Highway Safety Representative, one Senior Auditor and one clerical position; this would reduce the State support of this program in the first year of the biennium to \$8,344 and in the second year to \$8,348. Mr. Jacka said that currently there are two positions which are unfilled pending President Reagan's funding decision.

He also said that there is a provision in the budget to enable the Division to hire an outside auditing firm because they have been refused audit privileges by both the Legislative Counsel Bureau and the Department of Transportation. Mr. Jacka indicated that, due to the fact that the Traffic Safety Division will take up residence in the DMV, the DMV's rent will change because the Traffic Safety Division is a federally funded program.

Senator Wilson asked, in the event of the proposed cutbacks becoming law, is there a way that the Traffic Safety Division can themselves determine the areas of funding to be maintained, or is this already determined by federal mandate.

Mr. Jacka said that he is not certain how it will be worked out, but that it might go either way..either leaving it up to the individual State or to the discretion of Region IX.

Senator Jacobsen asked how many ambulance requests are currently pending. Mr. Jacka replied that they currently have three or four requests pending the outcome of the budget cuts proposed.

Senate Committee on Finance
March 24, 1981

Senator Jacobsen asked, of these three or four ambulance requests are any of these requests from the rural communities. Mr. Lawson indicated that they were.

AUTOMATION DIVISION

This budget was presented by Mr. Jacka and Mr. H. John Ciardella, Chief of the Automation Division.

Mr. Jacka told the committee that there have not been any requests for additional staff positions. He noted that the Communications expense in this budget is primarily to fund the return of the leases data processing equipment, which is primarily freight costs.

Mr. Jacka called the committee's attention to the Other Contract Services category and told the committee that the agency's original request was denied and has been reduced because of the cancellation of the West Charleston Substation facility.

Mr. Jacka then said that \$385,414 is the first year of the biennium and \$431,120 for the second year has been allocated to pay for the lease of the distributive processing equipment they have in-house. He stated that the original request had included an enhancement for the West Charleston facility, but the request was reduced because of the cancellation of this program.

Mr. Jacka indicated that the facilities category for this year will have to be increased and referred to Senate Bill No. 290, a supplemental appropriation for the increased cost. He said that higher utility costs now being projected for the computer facility will also necessitate an increase in their request for next biennium.

SENATE BILL NO. 290

Senator Gibson read the bill, a supplemental appropriation of \$101,520 from the State Highway Fund to the Department of Motor Vehicles for the cost of its use of computer facility.

Mr. Jacka said that this cost will be effected as their use of the facility decreases and the use of the facility by other agencies increases. He said that if the total supplemental appropriation is not utilized, the remaining balance will revert to the Highway Fund. He also indicated that there should be a modification in the language of the bill, Section 2, where it states that the remaining balance of the appropriation will revert to the Highway Fund on June 30, 1981, because it is physically impossible to revert the remaining balance until their books have been closed.

Senator Jacobsen, referring back to the Highway Patrol Budget, asked what percentage of time has been utilized by the Governor for security.

Mr. Jacka replied that it has been calculated out at an average of 47.02 hours per week.

Senator Jacobsen asked if any portion of the checks given to the Department of Motor Vehicles are kited checks and uncollectable.

Mr. Leonard Winkleman, Chief, Administrative Services Division, replied that there is a very small portion of the bad checks that are presented that are not collectable. He said that they have developed a way of dealing with this problem that is very effective - the registrant is now allowed to register his vehicles the following year unless he brings his default current.

Senate Committee on Finance
March 24, 1981

DEPARTMENT OF TRANSPORTATION

This budget presentation was given by Mr. Al Stone, Director of the Department of Transportation, and Mr. Ivan Laird, Program and Budget Engineer for the Department of Transportation. Mr. Stone began by reading from Exhibit D, Budget Presentation for the Department and by giving a slide presentation on the budget.

Senator Gibson asked Mr. Stone what the proposed completion date is for the Interstate system.

Mr. Stone replied that it is federally mandated that everything with regard to the construction phase of the operation must be completed by the end of Fiscal 1986. He added that, if Federal funding continues as proposed, the construction will be finished by 1986 for the Nevada portion of this program. He said that in the period of 1979 through 1981, there were no contract maintenance overlays expended because of lack of funding.

Senator Wilson asked if the \$227 million dollar replacement and maintenance backlog that Mr. Stone had mentioned in his slide presentation was a result of the 1979-1981 period when there was a lack of funding for contract maintenance overlay.

Mr. Stone replied that this was not the reason; that the Department really started to get behind nine years ago when they also were experiencing funding difficulties. He said that during that time, the contract maintenance overlay funds were cut in half, and there was a layoff of 200 to 250 people in the Department.

Senator McCorkle asked how much of the funding cutbacks would effect the program to extend Highway 395.

Mr. Stone replied that the overall contracts for the coming biennium amount to approximately \$3 to \$4 million dollars. He added that Interstate 395 is on the Primary System, and the funding for the Primary System from the Federal Government is \$12 million dollars a year. He said if the the present Federal law does not change, and if the construction of the Interstate System can be completed by 1986, and not taking inflationary factors into account, this would leave one-half of one percent of this federal contribution to be utilized for any project the individual state so desires. He said that this would be approximately \$25 million dollars to be devoted to any portion of the State's primary system, which would have to be completed within 10 years of the completion date of the Interstate System (1986).

Senator McCorkle suggested that the Department should re-evaluate the present highway system, determine which areas have the lowest priority for funds and devote these funds to developing an urban mass transit system.

Mr. Stone replied that the areas of lowest priority only account for approximately \$1 million dollars per year of federal funds, and this would not even begin to solve the problem. He said that 1,000 miles of the State's highway system could be allocated to the low priority category, and by not maintaining this portion of highway, further problems can be created down the line when these roadways have to be reconstructed at a higher cost than it will cost the taxpayers to maintain them presently. He added, though, that the Primary Highway System is 95% federally funded.

He also added that if he were able to catch up on the backlog of resurfacing and reconstructing, then the Department would be able to handle the entire 5,000 miles of surface maintenance for a little over \$5 million dollars per year. He said that he has to

Senate Committee on Finance
March 24, 1981

devote heavy maintenance funds, which should be devoted to re-surfacing and reconstructing the highway system, just to maintain what is currently constructed.

Senator McCorkle observed that then it may not be necessary to detract from the Federal Highway Construction Fund if the low-priority 1,000 miles of this system were deleted from the program.

Mr. Stone replied that this is a possibility, also.

Senator Wilson asked how recently the gasoline tax had been increased. Mr. Stone replied that the gasoline tax had not been increased in 26 years.

Senator Wilson asked if a proposal to institute toll roads and to draft State bonding measures would be a viable alternative in trying to remedy the funding problem that the Department of Transportation currently foresees.

Mr. Stone replied that these could be very viable alternatives.

Senator Wilson asked if either of these two procedures, if instituted by the State, would disqualify Nevada for Federal funds for the Highway System.

Mr. Stone replied that this does not affect the federal funding.

Senator Wilson said that he feels that the funding structure for Highway Construction should be changed in that event.

Mr. Stone agreed with this observation. He also indicated that unless alternative funding sources are found, the federal funds delegated to new construction will have to be placed into re-surfacing and reconstruction costs.

Senator McCorkle asked what the feasibility of selling a revenue bond package to cover an early-start program for the rapid completion of the extension of Highway 395 which would be repaid by increasing the gasoline tax.

Senator Gibson said that this will promote a problem paying for costs ahead of time and then being reimbursed for the federal share; this would necessitate full federal funding, but this tax increase would eliminate the federal funding eligibility status of the State.

Senator Gibson asked if the Department has been obtaining all of the federal funds that they are eligible and entitled to.

Mr. Stone replied that they have been. He said that in 1981, there was an 80% release of federal funds with the other 20% portion on a first-come-first serve basis after August the first of 1981. He stated that they currently have approximately \$50 million dollars in projects which would be eligible for this funding, and one of those programs that falls under this classification is the Interstate Discretionary Fund.

Senator Wilson asked Mr. Stone if the current gasoline tax increase will be adequate to prevent the necessity of having to dip into the Federal construction fund to fund reconstruction and maintenance of the present system.

Mr. Stone replied that it is not sufficient to prevent this from happening.

Senate Committee on Finance
March 24, 1981

Senator Wilson asked how great the shortfall is. Mr. Stone replied that, over the twelve-year period, the Department is utilizing roughly \$6.5 million dollars of federal funds for the Primary, Secondard and part of the Interstate systems for reconstruction and resurfacing work. He stated that it is their intention to increase the \$6.5 million dollars expended each year to a reserve of \$25 million next year. He stated that this would have no affect upon the gasoline tax, but they would be utilizing more of the new construction money from the federal funds apportioned to that project.

Senator Wilson asked if this is a wise practice that Mr. Stone is proposing. Mr. Stone said that it is necessary because of the \$227 million dollar deficit position that they are in.

Senator Glaser asked in light of the price of asphalt, if it had become just as cost-effective to build roads from concrete as it is to construct them of asphalt.

Mr. Stone replied that concrete is now competitive for initial costs; the only problem as far as maintenance is concerned is to overlay with concrete requires a depth of eight inches for a cost of \$1 million dollars per mile, and with asphalt only requiring an overlay of 2 to 3 inches, then there is no way that concrete remains competitive with the initial costs of asphalt.

Senator Glaser said that the life expectancy of concrete certainly compares.

Mr. Stone replied that on an asphalt roadway, a chip-and-seal will be necessary in six to seven years, resurfacing will be necessary in roughly eleven to twelve years and another chip-and-seal and possibly a reconstruction somewhere in the neighborhood of twenty to twenty-four years. Concrete, with proper maintenance, should last forty years, with a possible asphalt overlay in twenty-five to thirty years. He said, though, that when a concrete highway wears out, it has to be totally reconstructed.

Senator McCorkle replied that it might be possible to use the worn out concrete as a base material and simply overlay with three to four inches of new concrete.

Mr. Stone said that would be an alternative.

Senator Wilson asked Mr. Stone if he would prepare for the committee's review the possible alternatives involved for funding the southern portion of Highway 395, especially focusing on that section of the roadway requiring immediate attention, with a price tage of the cost and an indication of what the best possible funding alternatives would be, whether it be toll roads or bonding or whatever it takes.

Mr. Stone said that he would do that.

Senator Gibson asked how long it takes to get federal matching funds in to meet their invoices.

Mr. Stone replied that the federal payment flow is much better, sometimes even taking less than a week.

Senator Glaser asked if the recommendations of the Governor's Taske Force had been met. Mr. Stone replied that they are currently in the process of meeting all of the Task Force's recommendations.

Senate Committee on Finance
March 24, 1981

Mr. Garth Dahl, Deputy Director of the Department of Transportation, told the committee that they have already submitted two progress reports to the Governor's Task Force and could provide the committee members with copies of those reports.

Senator Glaser asked for an explanation of the justification for an additional 26 positions in the first year of the biennium and, and additional 10 positions in the second year of the biennium.

Mr. Stone replied that they are requesting \$29.5 million dollars from the Legislature this session in order to organize a better maintenance program. He said that the principal problem with doing this has been the lack of qualified and experienced staff to organize and operate an efficient maintenance program. He said that 20 of those positions requested are to hire 10 new graduate engineers each year of the biennium, and two of the new positions requested will be personnel to work in the design and planning section in the District Office. He said that the last two positions located in the District Office would result in reduced travel expense as they will be more accessible. (see Exhibit E.)

Senator Glaser noted that the budget contained several reclassifications of positions and he asked Mr. Stone to explain that proposal. Mr. Stone replied that this a result of the redistricting of the Department of Transportation from six districts into three "super districts."

Senator Gibson asked Mr. Stone to summarize the reasons for upgrading and reclassification of the positions within the budget. Mr. Stone replied that this is a result of increased responsibilities and reorganization of responsibilities in order to monitor expenditures more closely.

Senator Gibson asked why the 10% cutback had not been applied to the Department of Transportation. Mr. Barrett replied that, traditionally, this budget has been overlooked because, with reduced federal and state support of the budget, they have probably already taken more than their 10% cutback. He added that the executive branch has had very little control over this budget because their primary funding is federal.

MASS TRANSIT ADMINISTRATION. Mr. Stone said that this budget was set up merely to provide the 50% matching fund share for local entities to fund Mass Transit. He said that the funding for this project is \$1.4 million dollars. He added, though, that 100% of the funding for local rail assistance will be struck by President Reagan from this budget.

SENATE BILL NO. 290.

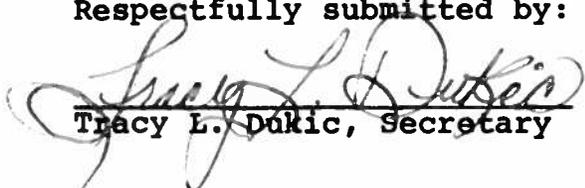
SENATOR GIBSON MOVED THAT SENATE BILL NO. 290 BE APPROVED.

SENATOR GLASER SECONDED THE MOTION.

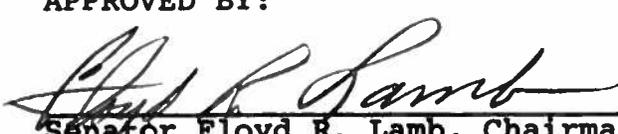
THE MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at 10:45 a.m.

Respectfully submitted by:


Tracy L. Dukic, Secretary

APPROVED BY:


Senator Floyd R. Lamb, Chairman

DATED: Apr 22

1211

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231.
Day (SEE BELOW), Date (SEE BELOW), Time 8:00 a.m.

MONDAY, MARCH 23, 1981

1. Department of Motor Vehicles (All budgets presented by S. Barton Jacka)
 - a. Office of the Director (Pg. 896)
 - b. Administrative Services (Pg. 899)
 - c. Drivers License (Pg. 902)
 - d. Records Search (Pg. 906)
 - e. Registration Division (Pg. 909)
 - f. Motor Carrier (Pg. 913)
 - g. Pollution Control (Pg. 917)
 - h. Highway Patrol (Pg. 920)
 - i. Highway Patrol Special (Pg. 925)
 - j. Highway Patrol Traffic Safety Grants (Pg. 928)
 - k. Highway Patrol Communication Section (Pg.931)
 - l. Traffic Safety (Pg. 934)
 - m. Traffic Safety Federal Grants (Pg. 937)
 - n. Emergency Medical Services (Pg. 938)
 - o. Automation Division (Pg. 940)

TUESDAY, MARCH 24, 1981

1. (Completion of Department of Motor Vehicles budget, if necessary)
2. Department of Transportation (Pg. 944 - Al Stone)
 - a. Department of Transportation Urban Mass Transit Administration (Pg. 930)
3. Mining Cooperative Fund (Pg. 1022 - John Schilling)

* * *

WEDNESDAY, MARCH 25, 1981 - 7:30 a.m., ROOM 131

* * *

INTERIM FINANCE MEETING

1. Health Care Cost Containment Workshop

THURSDAY, MARCH 26, 1981

1. Administrative Office of the Court (Pg. 160 - Justice Springer, all budgets)
2. Judicial Planning (Pg. 165)
3. Supreme Court (Pg. 166)
4. Board of Pardons (Pg. 169)
5. District Judges Salary (Pg. 170)
6. Retired Judge/Justice Duty Fund (pg. 172)
7. Judicial Commissions (Pg. 173)
8. District Judge's Travel (Pg. 174)
9. Supreme Court Justice's and Widow's Pension (pg. 175)
10. District Judge's and Widow's Pensions (Pg. 176)
11. Legal Defense Fund (Pg. 177)
12. Judicial Education (Pg. 178)
13. Law Library (Pg. 180)
14. Department of Agriculture (Pg. 863-879...Tom Ballow)
 - a. Apiary Inspection Fund (Pg. 1046)

FRIDAY, MARCH 27, 1981

1. Public Employee's Retirement System (Pg. 966 - Vernon Bennett)
2. Predatory Animal and Rodent Control (Pg. 888 - Warren Ahlstrom)
3. Woolgrower's Predatory Animal Control Committee (Pg. 891 - Warren Ahlstrom)
4. Sheep Commission (Pg. 893 - John Humphrey)
5. Grazing Board Contributions (Pg. 894)

FEDERAL FISCAL YEAR 1981 TRAFFIC SAFETY PROJECTS

TRAFFIC SAFETY DIVISION	SAFETY EDUCATION CURRICULUM	73,543.74
TRAFFIC SAFETY DIVISION	GOVERNOR'S TRAFFIC SAFETY CONFERENCE	30,000.00
TRAFFIC SAFETY DIVISION	PUBLIC SUPPORT PROGRAM	20,000.00
DRIVER'S LICENSE DIVISION	MOTORCYCLE OPERATOR'S SKILLS TEST	52,090.00
NORTH LAS VEGAS POLICE DEPARTMENT	MOTORCYCLE SAFETY FOUNDATION/MOTORCYCLE RIDER COURSE	9,494.00
CLARK COUNTY COMMUNITY COLLEGE	MOTORCYCLE SAFETY FOUNDATION/MOTORCYCLE RIDER COURSE	51,262.00
WESTERN NEVADA COMMUNITY COLLEGE	MOTORCYCLE SAFETY FOUNDATION/MOTORCYCLE RIDER COURSE	16,686.00
NEVADA HIGHWAY PATROL	COMPUTER SYSTEM	350,430.00
UNIVERSITY OF NEVADA/OFFICE OF COMMUNICATIONS AND BROADCASTING	PRODUCTION OF PUBLIC INFORMATION MATERIALS	22,520.00
LAS VEGAS METROPOLITAN POLICE DEPARTMENT	TRAINING	2,029.00
SPARKS POLICE DEPARTMENT	SELECTIVE TRAFFIC ENFORCEMENT PROGRAM	39,784.00
CARSON CITY SHERIFF'S OFFICE	SELECTIVE TRAFFIC ENFORCEMENT PROGRAM	26,032.00
DOUGLAS COUNTY SHERIFF'S OFFICE	SELECTIVE TRAFFIC ENFORCEMENT PROGRAM	31,480.00
HENDERSON PUBLIC SAFETY	BREATH TESTER	2,195.00
RENO POLICE DEPARTMENT	CONDUCT ACCIDENT INVESTIGATION SCHOOLS BY NORTHWESTERN UNIVERSITY	25,490.00
ELKO POLICE DEPARTMENT	BREATH TESTER	5,000.00
EMERGENCY MEDICAL SERVICES	PUBLIC SERVICE RECORDS INTERN	2,700.00
WESTERN NEVADA COMMUNITY COLLEGE	EMERGENCY MEDICAL TECHNICIAN COURSES	12,000.00
EMERGENCY MEDICAL SERVICES	EMERGENCY MEDICAL TECHNICIAN COURSES	12,000.00
EMERGENCY MEDICAL SERVICES	AMBULANCES AND RELATED EQUIPMENT	40,500.00
WHITE PINE COUNTY SHERIFF'S OFFICE	PAGERS	1,575.00
GABBS POLICE DEPARTMENT	PAGERS	2,295.00
BOULDER CITY POLICE DEPARTMENT	RADIOS	1,197.00
NEVADA HIGHWAY PATROL	HAZARDOUS MATERIAL TRAINING	9,028.00
NEVADA DEPARTMENT OF TRANSPORTATION	IDENTIFICATION AND SURVEILLANCE OF HIGH ACCIDENT LOCATIONS	122,000.00
CLARK COUNTY PUBLIC WORKS	TRAFFIC ENGINEER	17,660.00
RENO TRAFFIC AND TRANSPORTATION	TRAFFIC ENGINEER	19,608.00
CARSON CITY PUBLIC WORKS	TRAFFIC ENGINEER	23,050.00
ELKO PUBLIC WORKS	CONSULTANT FOR INTERSECTION ANALYSIS	3,600.00
NEVADA DEPARTMENT OF TRANSPORTATION	WORK ZONE TRAINING PROGRAM	6,444.00
DRIVER'S LICENSE DIVISION	COMPUTER SYSTEM	220,308.00
TRAFFIC SAFETY DIVISION	PLANNING AND ADMINISTRATION	177,073.00
WESTERN NEVADA COMMUNITY COLLEGE	PROJECT COORDINATOR	38,687.00

NOTE: FIGURES INDICATE FEDERAL FUNDS ONLY

BUDGET PRESENTATION

The mission of D.O.T. is to establish and maintain an adequate, safe and efficient statewide transportation system that meets the needs of the traveling public for the movement of people and goods. In order to meet this goal, it is imperative that we accomplish statewide planning for multi-modal transportation facilities and services.

The Department is presently responsible for the maintenance of approximately 5,000 miles of roads. The roads carry over 66% of the vehicle miles traveled on all streets and highways within the state. The 5,000 mile system takes care of 94% of all truck traffic within the entire state.

We have recently completed a "Pavement Management System" study which has classified the type of work required to maintain and preserve the existing surface on the state's 5,000 miles of roadway. The study shows that 1,305 miles of the system requires only normal maintenance at this time; 2,529 miles of the system requires heavy maintenance work; and 1,166 miles require resurfacing or reconstruction of the pavement surface. In 1981 dollars, the costs estimated necessary to correct the pavement deficiencies are \$227 million. Our backlog of roadway surface deficiencies (1,166 miles) is broken down into 570 miles badly needing overlay work and 596 miles that will require reconstruction. Reconstruction costs are approximately 2 1/2 times more than the cost of overlay projects. Since our roadway surfaces are deteriorating at a rate of 11-16% each year, it is imperative that we not allow additional mileage to slip to the reconstruction stage.

The Department has accepted the reality that it cannot finance the total needs (\$227 million) of preserving and maintaining the state highway system in a cost effective manner in the next year or even the next biennium.

The Department has revised it's goals to the following priorities:

1. Preserve the existing system by maintaining the traveled surface only, ignoring present day geometric standards and only addressing bonafide safety needs.
2. Complete the construction of the Interstate system and reconstruct those sections on the other state systems which have reached a point of failure for traffic serviceability. This would include high hazard location and transportation system management type improvements (signals, turn lanes, high occupancy vehicle lanes, etc.).
3. Construct selected new high priority volume roads on the primary and urban system such as the East leg of the freeway in Clark County from the junction of Sandhill Road and Boulder Highway to Railroad Pass.

Additional revenue will be required to accomplish the new priority goals. Presently, financing for the maintenance and preservation of our existing system is completely inadequate.

We have, therefore, developed a 12-year plan to eliminate the heavy maintenance, resurfacing and reconstruction needs. The 12-year plan will allow the Department of Transportation to make cost effective decisions in preserving our existing highway system. We are requesting an increase in the existing motor fuel, and special fuel taxes as well as increases in vehicle registration and license fees to accomplish this objective.

We are proposing to upgrade our maintenance personnel and to expand their career levels. This action must be taken to cost effectively utilize the increases the Department is requesting. The upgrading of maintenance is the result of a recently completed study of our field maintenance operation to

coincide with the additional responsibility that is necessary to accomplish our proposed 12-year plan.

We are proposing a reorganization of our district operation from the present six districts to three super districts. This will provide for better administrative control, more service to the taxpayer and a more overall efficient operation. Two new sections will be established in each district to coordinate design and planning operations with those of the local entities.

We intend to reactivate the Department's "Engineer-in-Training" program for new graduate engineers. This program was eliminated nine years ago because of lack of funds. The "Engineer-in-Training" program is an 18-month rotation program to provide training to new engineers in all aspects of the Department's operation. Special emphasis in this program will be given to maintenance. The E.I.T. program is a necessity if we are to replace the experienced personnel who have left during the last nine years and those that will be retiring or leaving the Department in the next few years.

Our proposed budget reflects the additional revenues and expenditures necessary to accomplish our 12-year plan and the proposed reorganization changes.

What I propose to do in the next few minutes is to give you a visual presentation of the Governor's Executive Budget. This presentation is designed to show historical data, to reflect our proposed fuel, registration and motor carrier tax increases, and hopefully to answer many of your questions about the Department of Transportation's receipts and expenditures, but most importantly to be a basis of understanding our proposed program for the future.

The first chart, as all charts that will follow, covers the biennium.....

DEPARTMENT OF
TRANSPORTATION

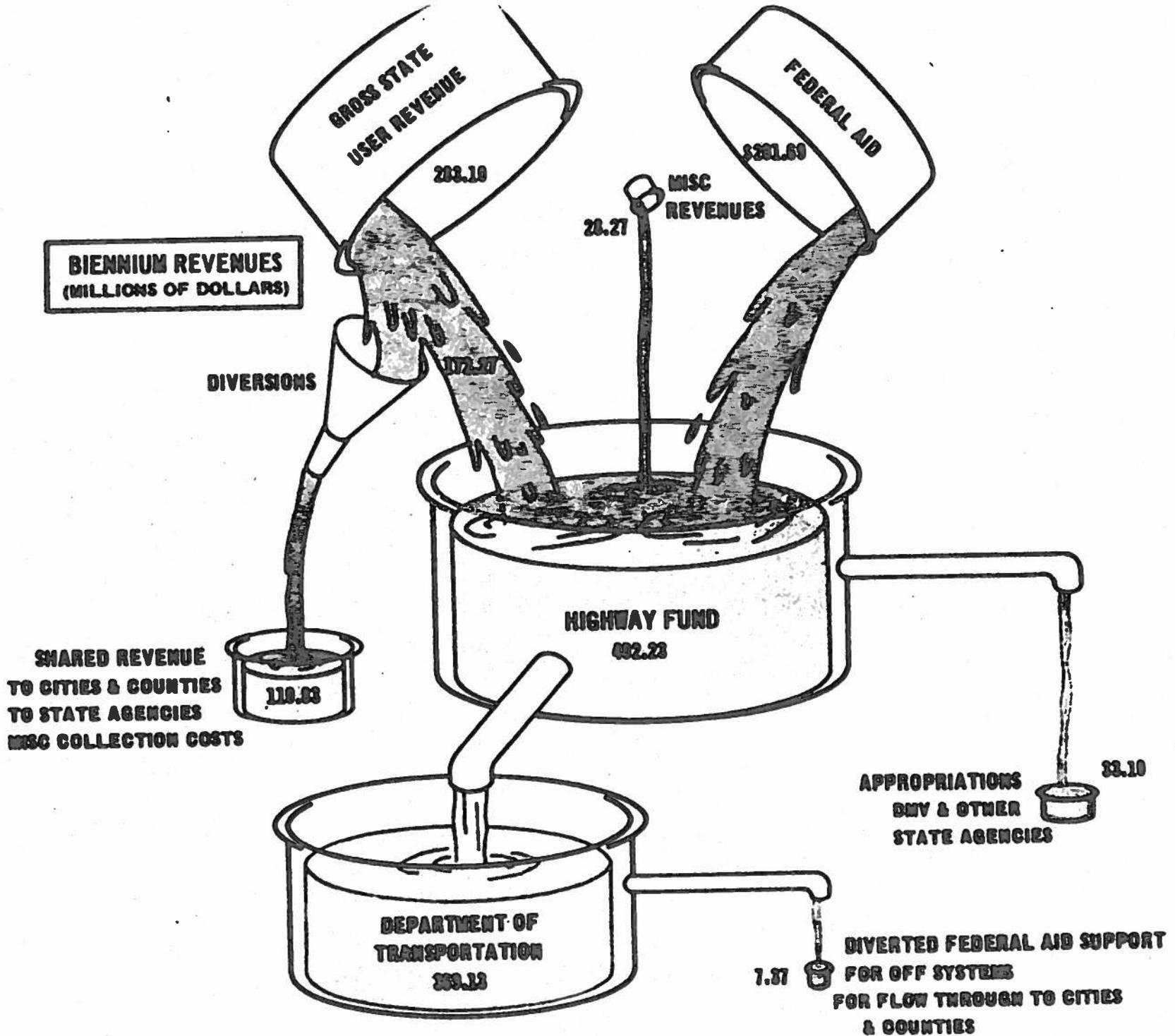
Budget Summary

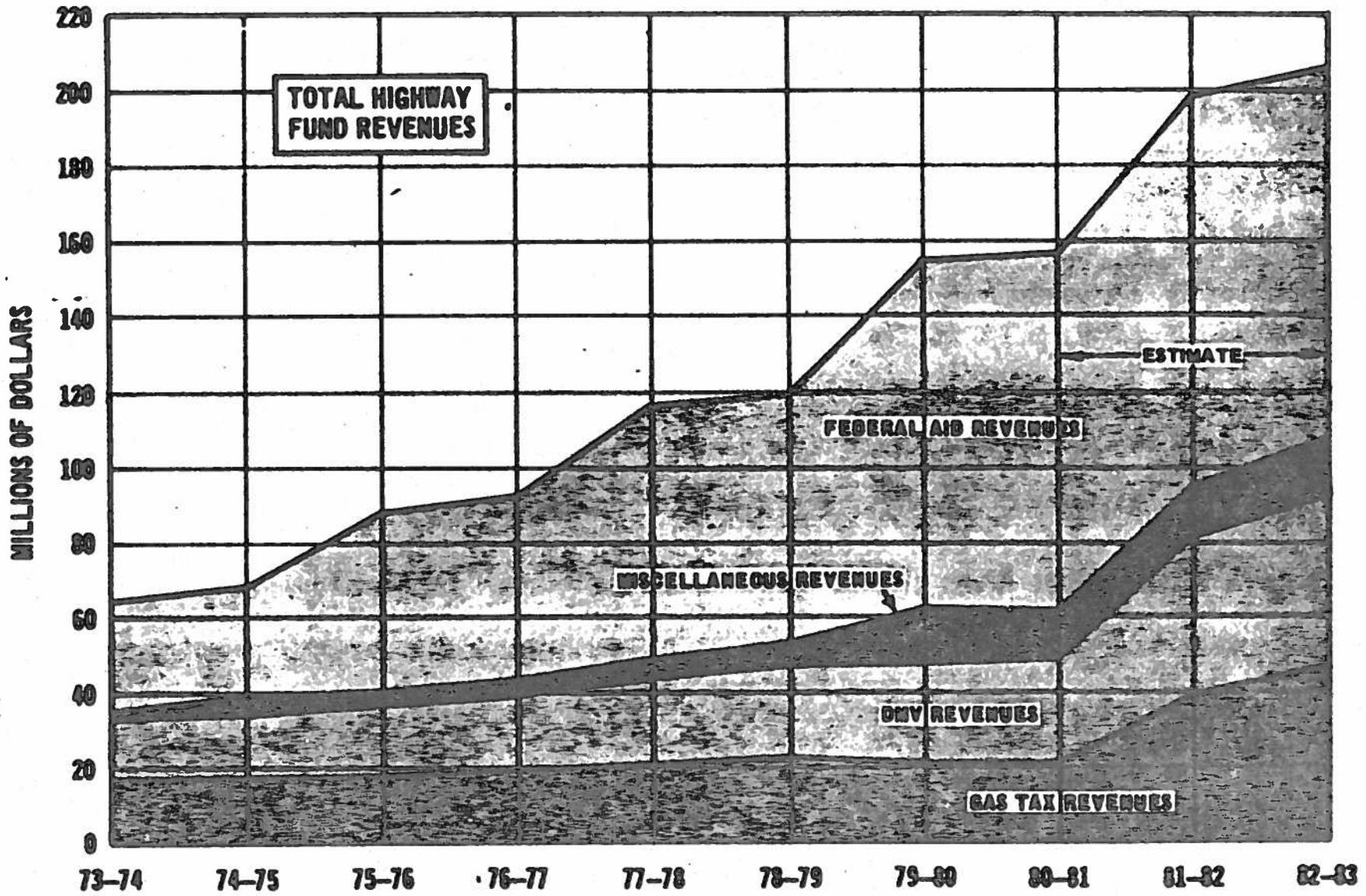
1981-1983 Biennium

+

+

**BIENNIUM REVENUES
(MILLIONS OF DOLLARS)**





NO. ---

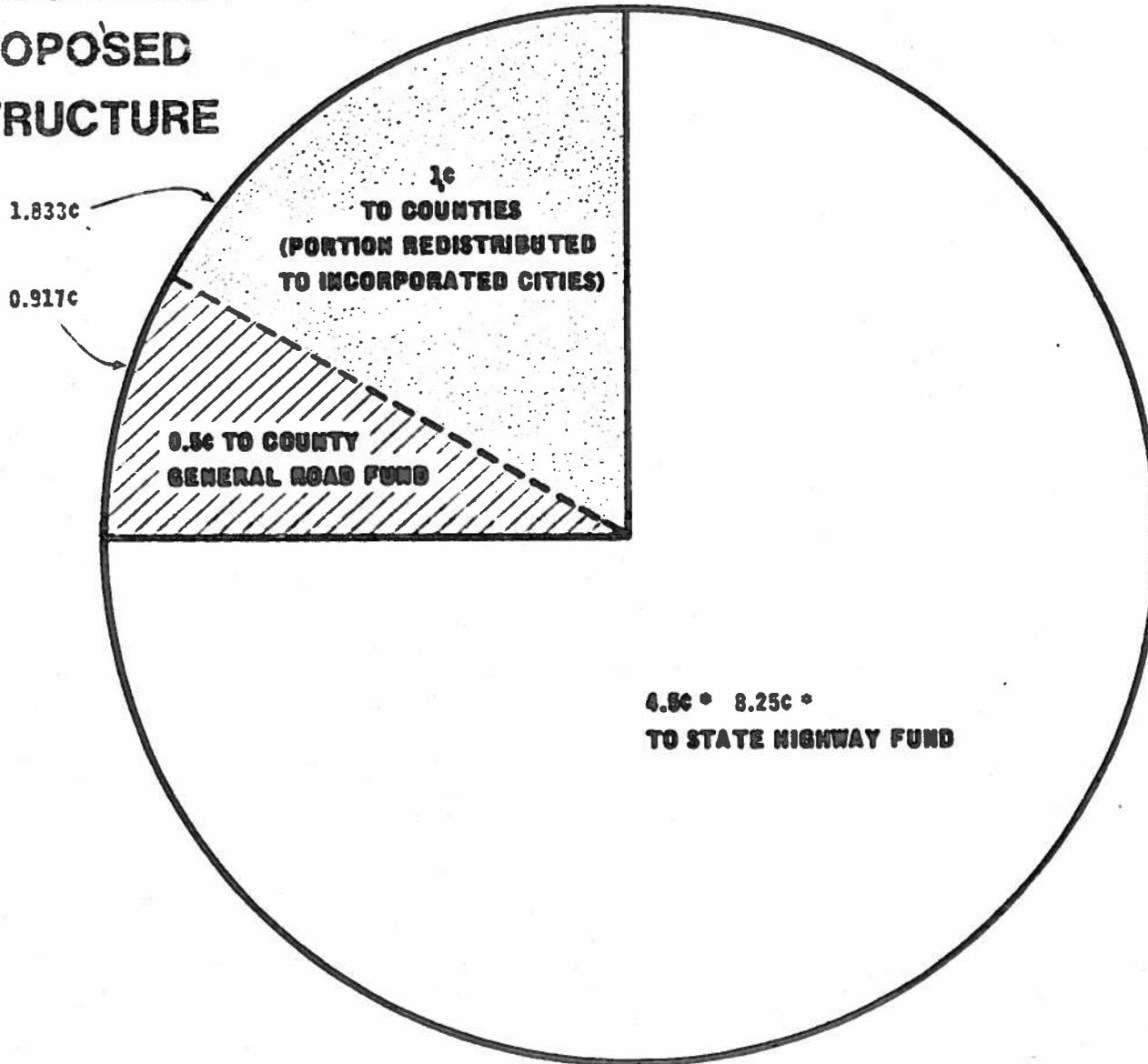
SUBJECT ---

SOURCE OF REVENUES
 (MILLIONS OF DOLLARS)

	<u>79-80</u>	<u>80-81</u>	<u>81-82</u>	<u>82-83</u>
GROSS HIGHWAY USER REVENUE	88.55	93.05	97.43	102.17
LEGISLATIVE PROPOSAL			35.63	47.92
LESS: SHARED REVENUE TO CITIES & COUNTIES	37.09	39.09	41.79	44.39
LEGISLATIVE PROPOSAL			6.05	8.57
SHARED REVENUE TO OTHER AGENCIES	3.32	3.63	4.12	4.44
MISC. COLLECTION COSTS	.72	.71	.73	.74
TOTAL SHARED REV. & COLL. COSTS	41.13	43.54	52.69	58.14
LESS: APPROPRIATION TO DMV	10.55	10.72	14.22	15.53
APPROPRIATIONS TO OTHER STATE AGENCIES	.94	2.41	1.51	1.74
TOTAL APPROPRIATIONS	11.49	13.13	15.73	17.27
REMAINING HIGHWAY USER REVENUE (AVAILABLE TO DEPT. OF TRANSPORTATION)	35.94	35.29	34.49	34.63
HIGHWAY USER REVENUE AVAILABLE TO DEPT. OF TRANSPORTATION	35.94	35.29	34.49	34.63
FEDERAL - AID REVENUE	92.93	95.43	103.14	99.53
MISCELLANEOUS REVENUE	14.43	12.24	12.45	14.80
GENERAL FUND REVENUE	1.74	2.23	2.22	2.57
TOTAL REVENUE AVAILABLE TO DEPT. OF TRANSPORTATION	144.99	148.27	152.31	150.76

**CURRENT
STRUCTURE
PROPOSED
STRUCTURE**

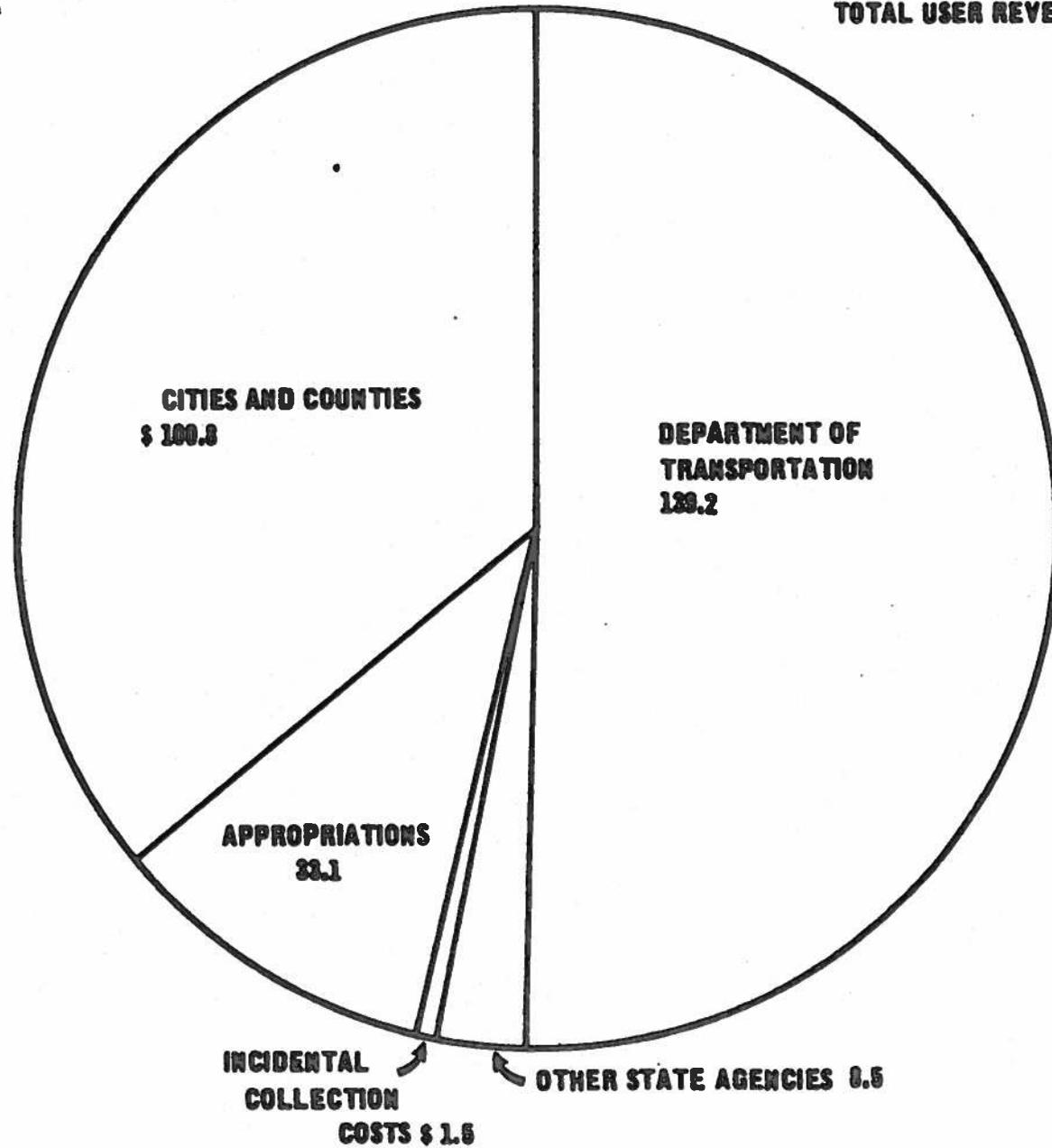
**BREAKDOWN OF GAS TAX
6¢ PER GALLON
11¢ PER GALLON**

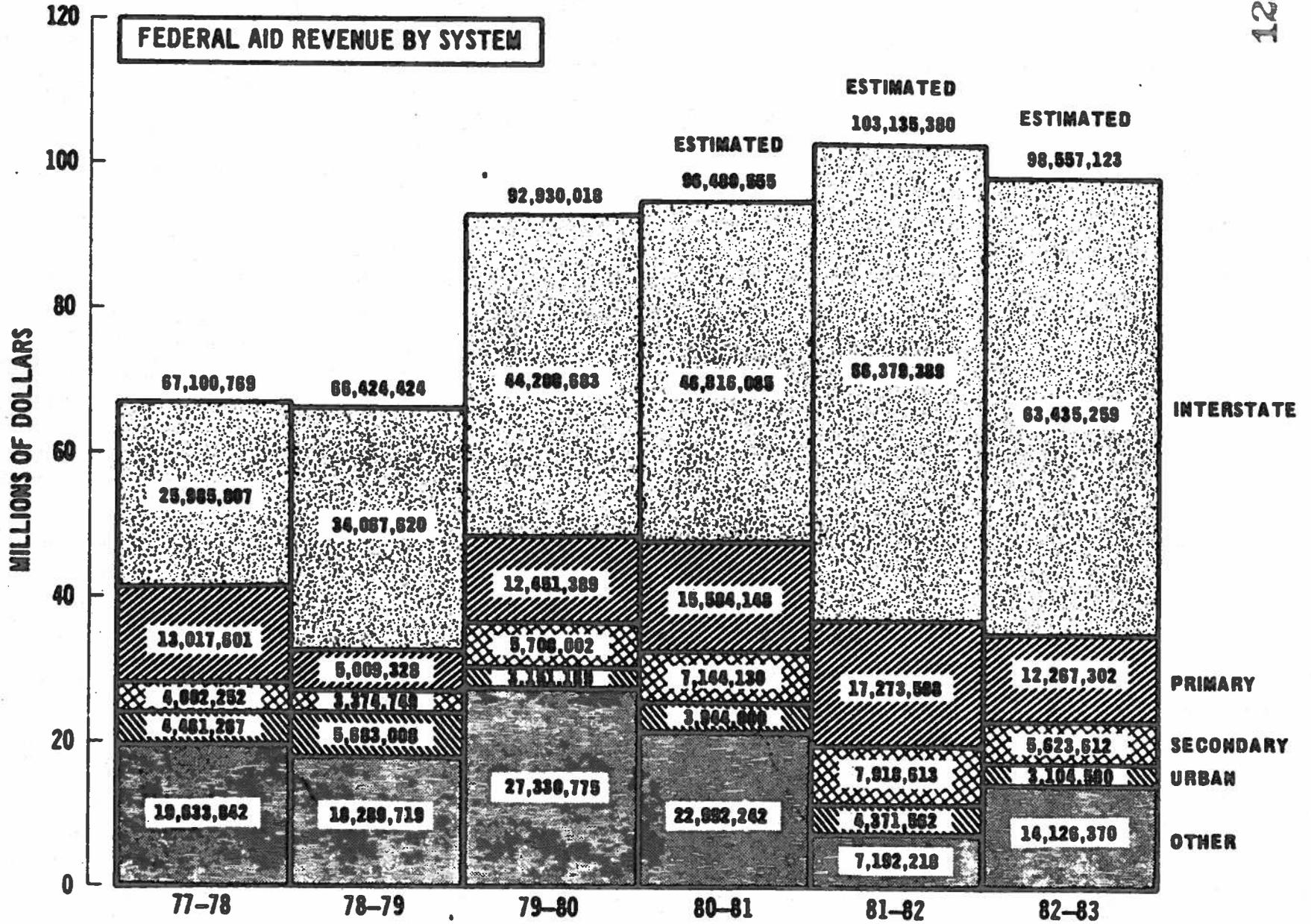


***DEPT. OF WILDLIFE AND DIVISION OF STATE PARKS
RECEIVE A MINOR PORTION.**

**HIGHWAY USER REVENUE DISTRIBUTIONS
FOR THE BIENNIUM 81-83
(MILLIONS OF DOLLARS)**

TOTAL USER REVENUES 283.1

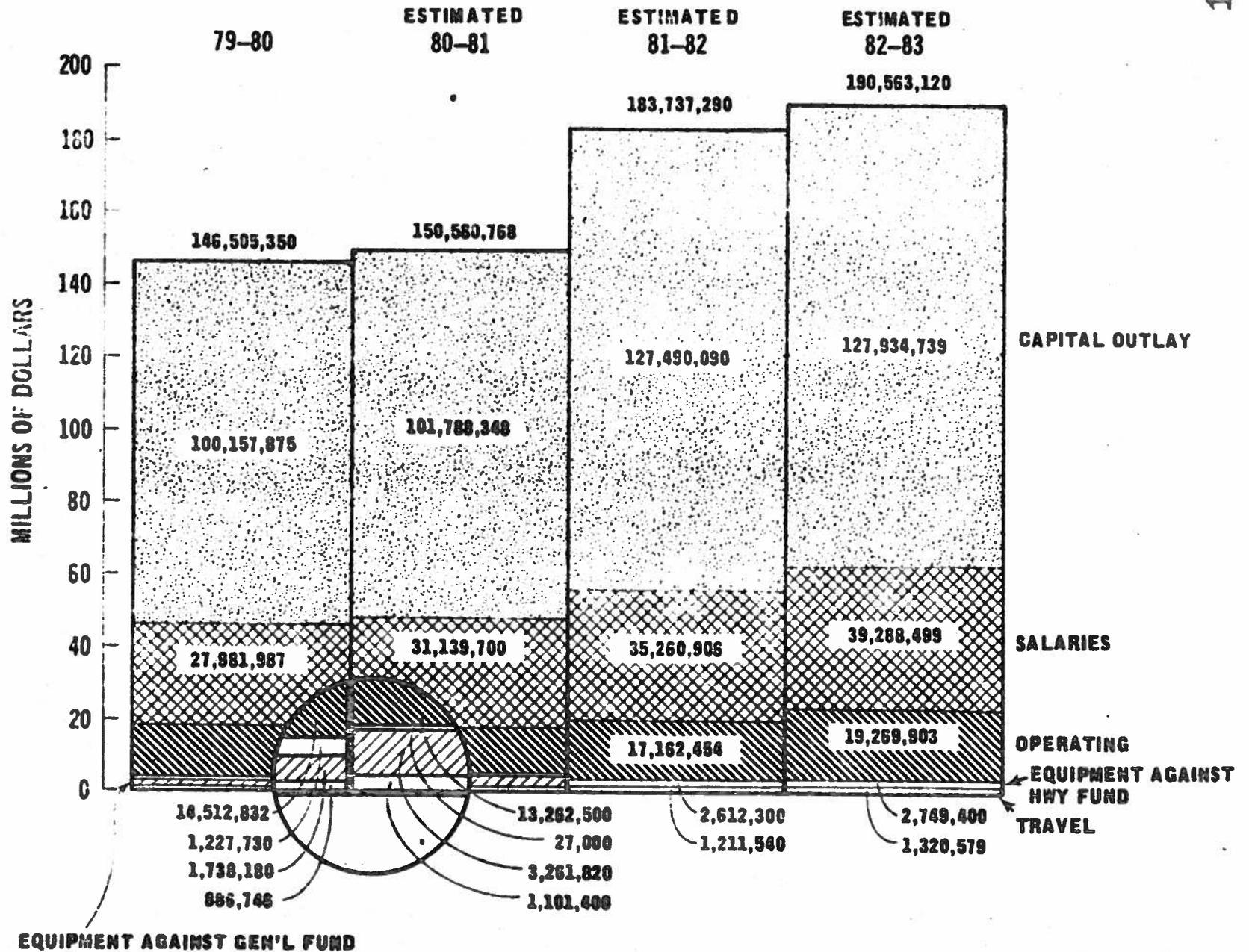




NO. -----

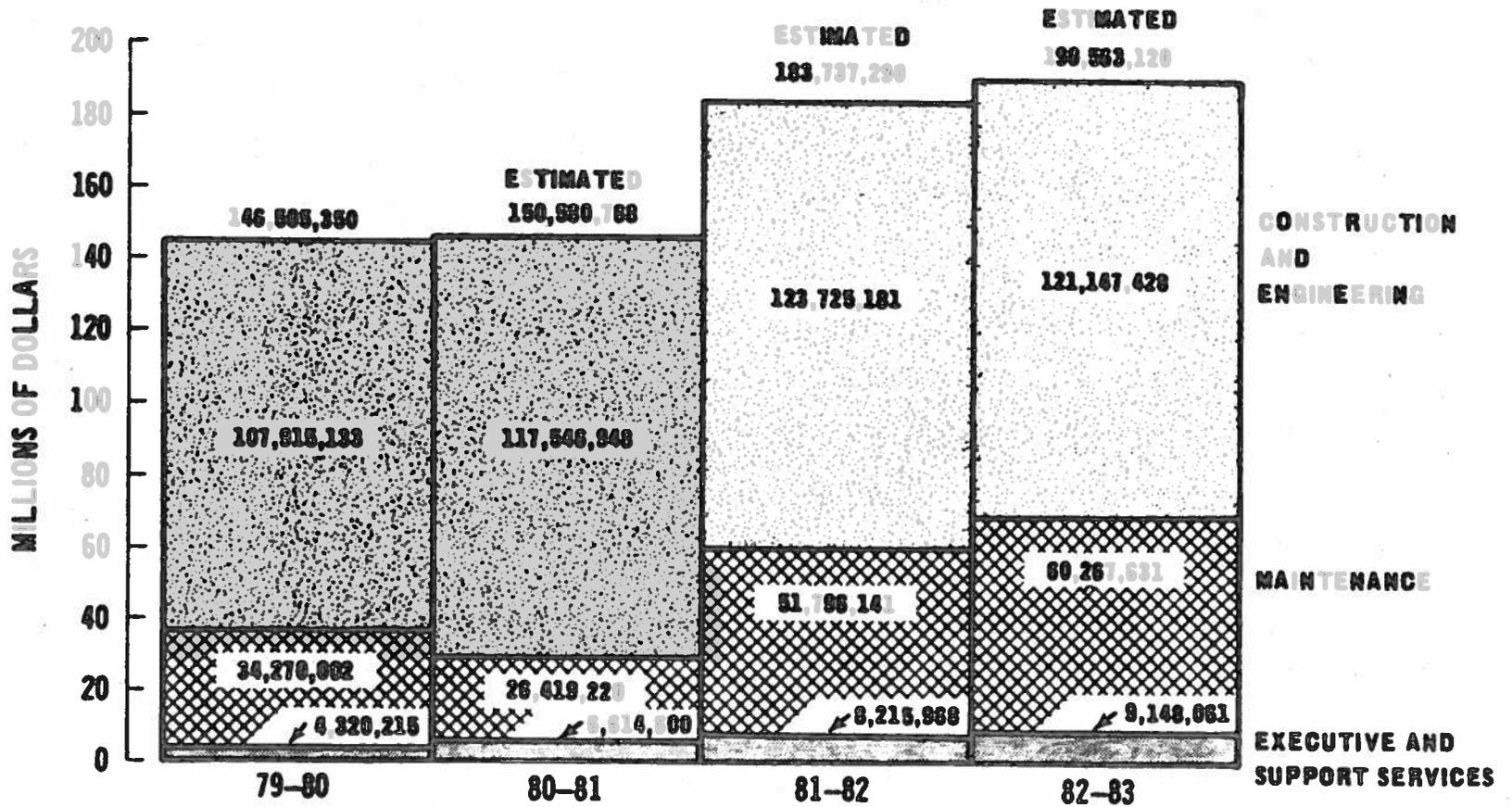
SUBJECT -----

EXPENDITURE BY OBJECT

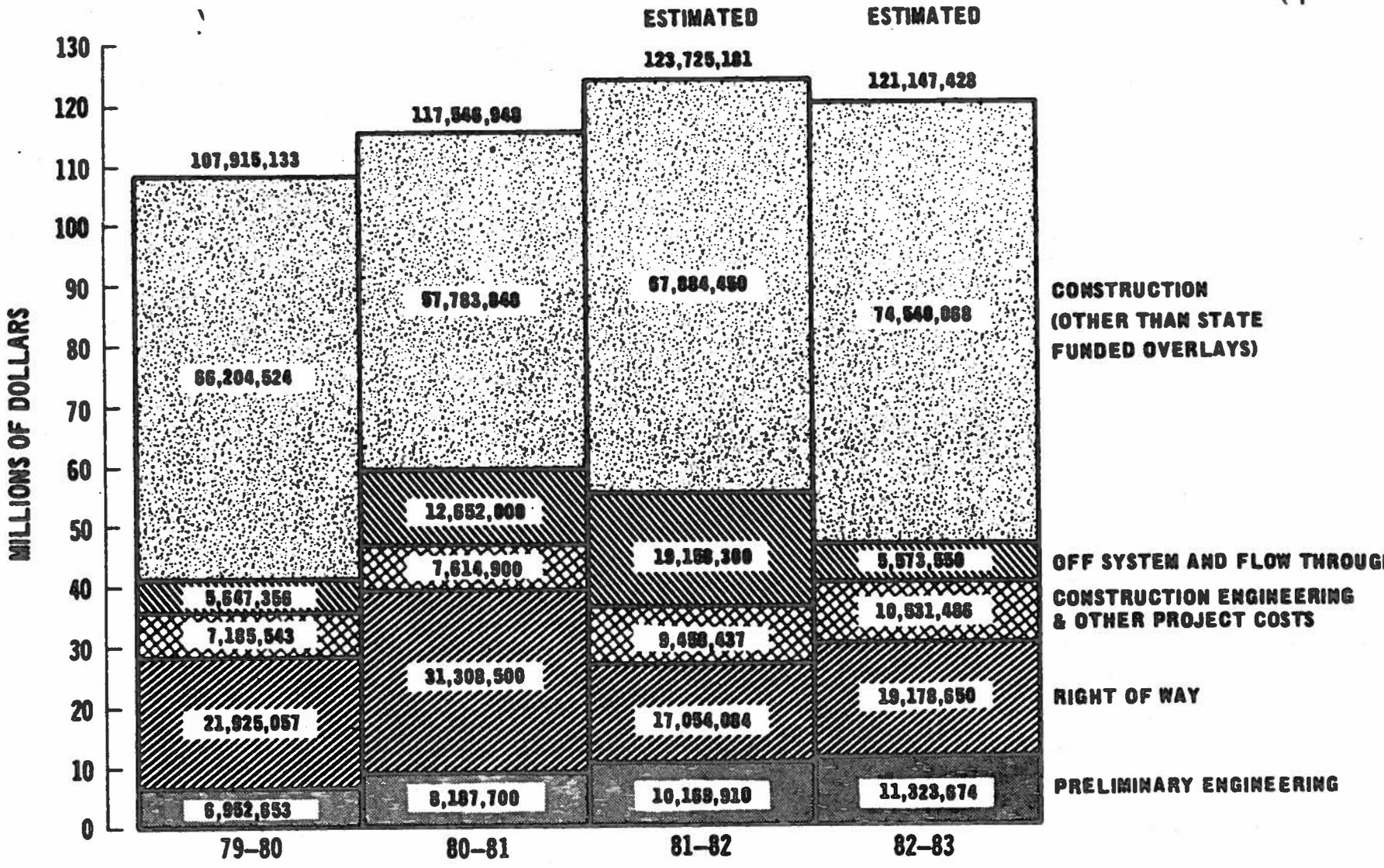


EQUIPMENT AGAINST GEN'L FUND

EXPENDITURES BY PROGRAM

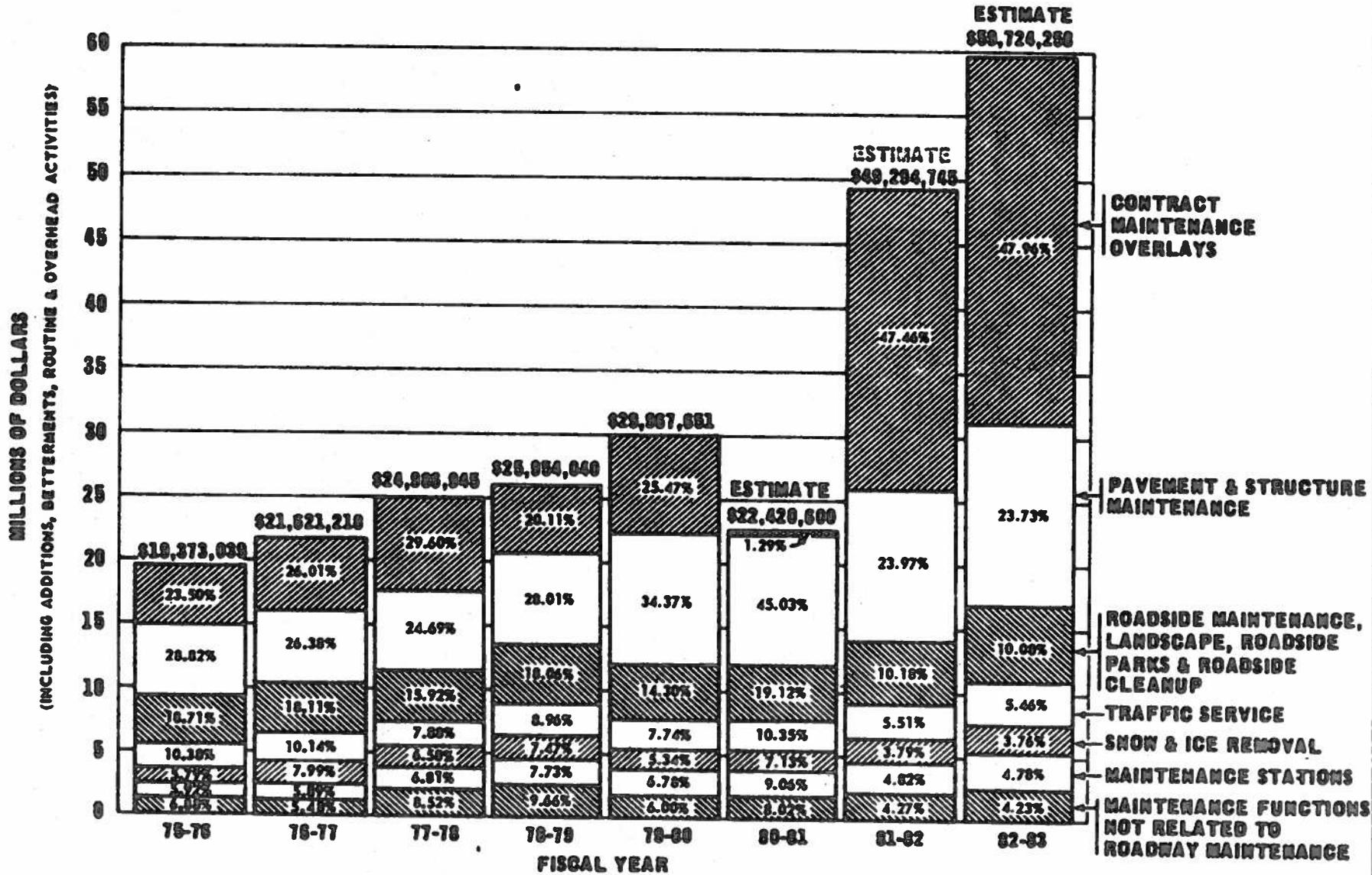


CONSTRUCTION AND ENGINEERING TOTALS BY YEAR



MAINTENANCE BY FUNCTION

PROGRAM

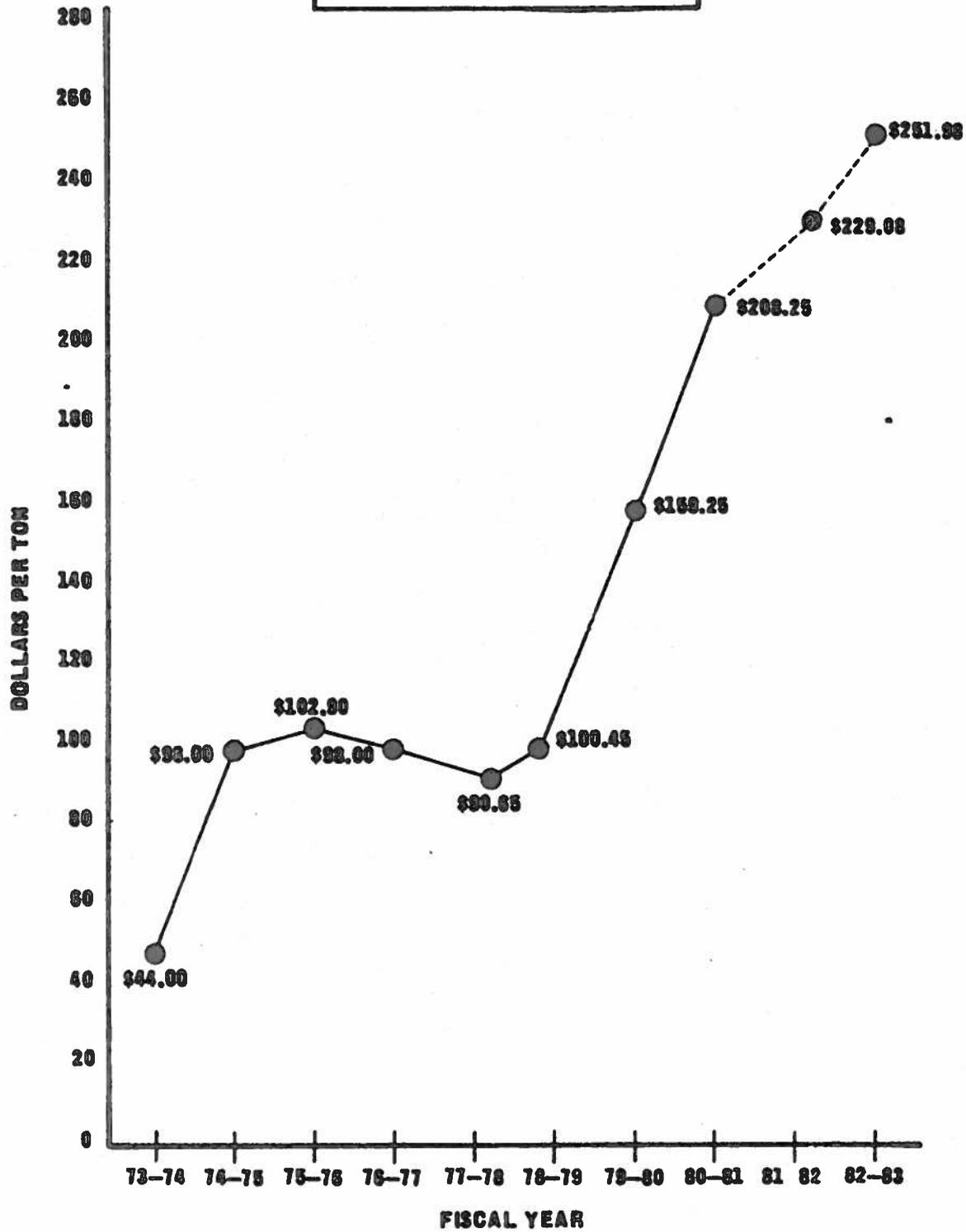


INVENTORY OF MAJOR MAINTENANCE UNITS

	73-74 INVENTORY	CURRENT INVENTORY	ADDITIONAL DURING 1981-83 BIENNIUM
Lane Miles	11,974	13,970	172
Roadside Mowing (Shdr Miles)	3,059	3,691	117
Roadside Rest Areas	59	54	0
Interchanges	116	132	11
Structures	587	596	21
Landscape Areas (Acres)	12	12	12
Right of way Fence (Miles)	2,750	3,107	183
Lane Striping (Miles)	11,235	16,380	252
Traffic Pvmnt Marking (Sq.Ft.)	155,713	158,250	1,000
Guardrail (Lin.Ft.)	1,230,240	1,767,744	42,000
Maintenance Stations	58	58	0
Tunnels	4	4	0
Ditches (Miles)	4,750	7,947	10
Signs	19,806	20,524	390
Culverts	25,132	25,286	150

MAINTENANCE

LIQUID ASPHALT COSTS



----- DASHED LINE IS PROJECTION -----

NO. ---
SUBJECT ---

EXECUTIVE & SUPPORT SERVICES

EXECUTIVE

**DEPARTMENT OF TRANSPORTATION ADMINISTRATION
PROGRAMS & PROJECT MANAGEMENT
FINANCIAL SERVICE & DATA PROCESSING**

**INTERNAL AUDIT
ACCOUNTING & FINANCE
DATA PROCESSING**

**PUBLIC INFORMATION
INDUSTRIAL RELATIONS**

**PERSONNEL
TRAINING
INDUSTRIAL SAFETY**

INDIRECT SUPPORT SERVICES

**CIVIL RIGHTS
LEGAL SERVICES
FLIGHT OPERATIONS
REPRODUCTION
OFFICE SERVICES
BUILDINGS & GROUNDS
PURCHASING & STORES**

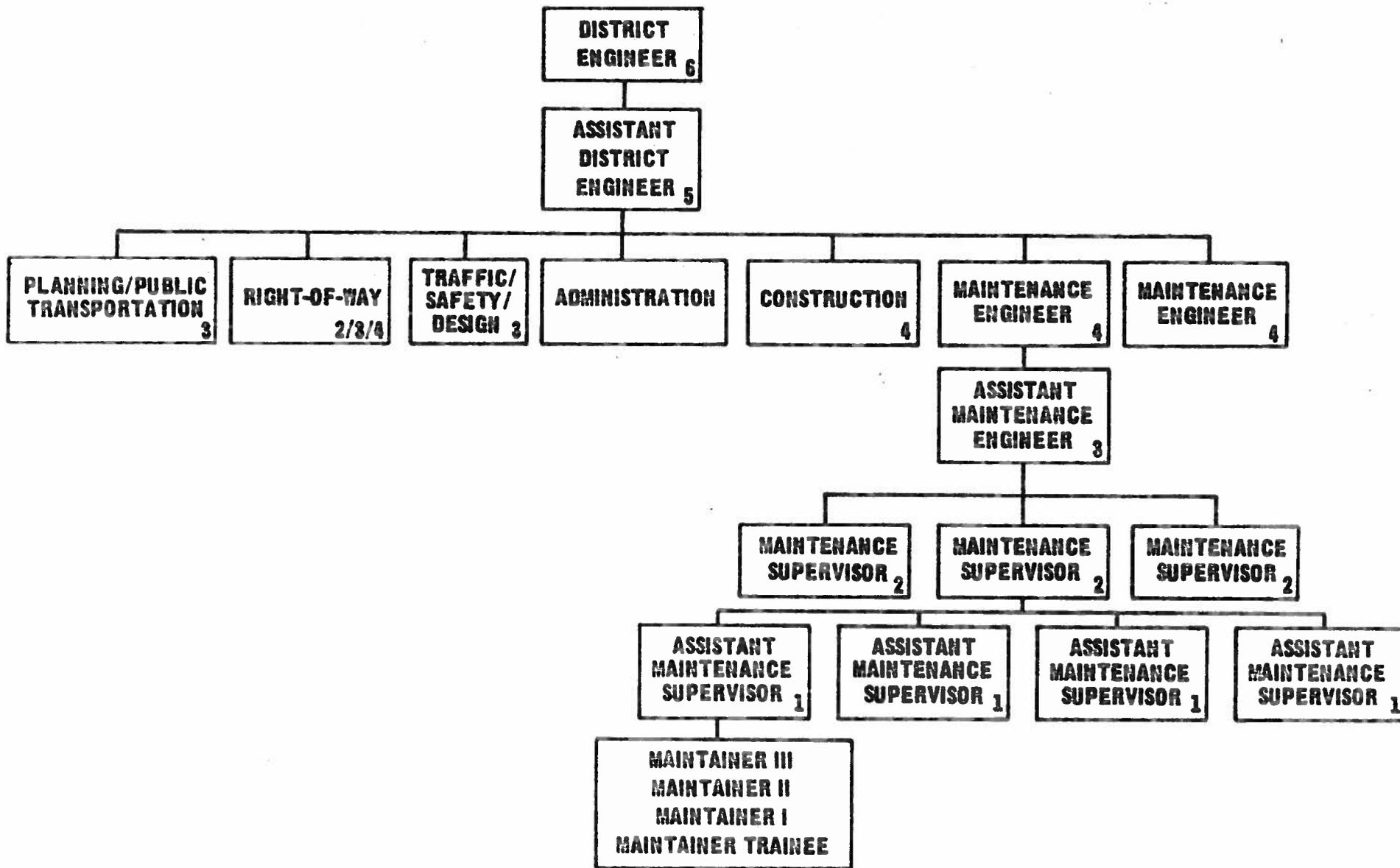
**PROJECTION OF
HIGHWAY FUND BALANCE**

(Based on "Governor Recommendations")

HIGHWAY FUND BALANCE 7/1/80	ESTIMATED REVENUES	ESTIMATED EXPENDITURES & APPROPRIATIONS	ESTIMATED HIGHWAY FUND BALANCE 6/30/83
	\$ 158,139,638 (FY 81)	\$ 160,445,613 (FY 81)	
	196,965,489 (FY 82)	196,965,489 (FY 82)	
	205,510,018 (FY 83)	205,510,018 (FY 83)	
\$ 8,128,499*	\$ 560,615,145	\$ 562,921,120	\$ 5,822,921
9,121,722**	560,615,145	562,921,120	6,815,747

* REFLECTED IN EXECUTIVE BUDGET SUBMISSION

** REFLECTED IN SUBSEQUENT BALANCE SHEET AFTER ROOT BOOKS CLOSED
(DIFFERENCE RELATES TO ENCUMBRANCES)



(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 290

SENATE BILL NO. 290—COMMITTEE ON FINANCE

FEBRUARY 24, 1981

Referred to Committee on Finance

SUMMARY—Makes supplemental appropriation from state highway fund to department of motor vehicles for cost of its use of computer facility. (BDR S-1086)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Contains Appropriation.

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT making an additional and supplemental appropriation from the state highway fund to the department of motor vehicles for the cost of its use of the computer facility; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. There is hereby appropriated from the state highway
- 2 fund to the department of motor vehicles the sum of \$101,520 for the
- 3 cost of its use of the computer facility. This appropriation is additional
- 4 and supplemental to that allowed and made by sections 48 and 54 of
- 5 chapter 695, Statutes of Nevada 1979.
- 6 SEC. 2. Any remaining balance of the appropriation made by sec-
- 7 tion 1 of this act must not be committed for expenditure after June 30,
- 8 1981, and reverts to the state highway fund as soon as all payments of
- 9 money committed have been made.
- 10 SEC. 3. This act shall become effective upon passage and approval.