

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Third Session
February 21, 2005**

The Committee on Ways and Means was called to order at 8:03 a.m., on Monday, February 21, 2005. Chairman Morse Arberry Jr. presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. Morse Arberry Jr., Chairman
Ms. Chris Giunchigliani, Vice Chairwoman
Mr. Mo Denis
Mrs. Heidi S. Gansert
Mr. Lynn Hettrick
Mr. Joseph M. Hogan
Mrs. Ellen Koivisto
Ms. Sheila Leslie
Mr. John Marvel
Ms. Kathy McClain
Mr. Richard Perkins
Mr. Bob Seale
Mrs. Debbie Smith
Ms. Valerie Weber

COMMITTEE MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Jim Rodriguez, Program Analyst
Lila Clark, Committee Secretary
Connie Davis, Committee Secretary

Chairman Arberry called the meeting to order and opened the Cultural Affairs budgets.

**CULTURAL AFFAIRS, CULTURAL AFFAIRS ADMINISTRATION (101-2892) –
CULTURAL-1**

Scott K. Sisco, Interim Director, Department of Cultural Affairs, introduced himself and Ronald M. James, State Historic Preservation Officer; Sara F. Jones, State Librarian and Division Administrator of the Nevada State Library and Archives; Susan Boskoff, Executive Director, Nevada Arts Council; and Wallace A. Steffan, Administrator, Division of Museums and History.

Mr. Sisco referred the Committee to his presentation entitled, "State of Nevada Department of Cultural Affairs, Budget Presentation to the 2005 Legislature,

State Fiscal Years 2006 & 2007" ([Exhibit B](#)). Mr. Sisco also submitted a poster entitled, "the great state of Nevada" ([Exhibit C](#)). He said the Department had been asked by the U.S. State Department to produce a poster representing Nevada that could be put in each one of the embassies across the world. Mr. Sisco said the Department worked with the Commission on Tourism to develop the poster. He said the Department was pleased with the poster because Nevada's culture was represented quite extensively in the poster.

Mr. Sisco said he would refer to [Exhibit B](#) as he made his presentation and he asked the Committee to refer to the organizational chart in the introduction section of [Exhibit B](#). He said the Department of Cultural Affairs was composed primarily of four divisions: the Division of Museums and History, State Historic Preservation Office, Nevada Arts Council, and the State Library and Archives. The Department also housed the Director's office and eight boards and commissions that worked with the Department.

Mr. Sisco told the Committee the Department had four major undertakings and initiatives for the 2005-2007 biennium. Mr. Sisco said that in 2001 the Governor recommended and the Legislature approved the documenting and filming of various cultural services and resources available to Nevada citizens and visitors to the state in a video development series called "Exploring Nevada." Those one-half hour monthly shows were then provided free of charge to various public access, governmental access, and commercial television stations. Currently 14 stations ran a weekly series exposing 650,000 households and almost 1.1 million citizens and visitors in Nevada and northern California to what Nevada had to offer. Mr. Sisco played a short video clip that explained what "Exploring Nevada" brought into the living rooms of residents and visitors every week.

Mr. Sisco explained that the video clip played was a sample of the many episodes of "Exploring Nevada." In addition to providing the videos to public access television, the videos had been purchased through a federal Library Services to Knowledge grant for the public libraries across the state. Mr. Sisco said that the videos had become extremely popular with citizens, teachers, and other people interested in Nevada history.

Mr. Sisco unveiled a small version of the Sarah Winnemucca statue. He said the full statue, just under seven feet tall and fully bronzed, would be installed in the U.S. Capitol on March 9, 2005. He said the State of Nevada owed the Nevada Women's History Project a debt of gratitude for raising the funding for the Washington, D.C., statue. Due considerably to Mrs. Dema Guinn's fundraising efforts, funds had also been raised to purchase a second full-size bronze statue that would be installed at the State Capitol on April 6, 2005. Mr. Sisco said there would also be a statue the same size as the one he brought to the meeting installed in the Grant Sawyer Building in Las Vegas in June 2005.

Assemblyman Hettrick told the Committee that he happened to be in Washington, D.C. approximately six months after September 11, 2001. The Capitol had been closed and had reopened only two days before. He said he toured the Capitol and went to Statuary Hall. The tour guide explained that two or three states had only put in one statue and Mr. Hettrick recalled that Nevada had just voted to have the Sarah Winnemucca statue done. Mr. Hettrick told the tour guide that Nevada had recently authorized funds for the Sarah Winnemucca statue. He said that after the tour the tour guide asked Mr. Hettrick for more information about Nevada's plans because he wanted to be able to talk about it on future tours. Mr. Hettrick said that the tour guide

told him that there were only one or two women in Statuary Hall. Mr. Hettrick said that we could be very proud of Nevada for choosing to have a statue done of a woman. He said he did not believe there was a statue of a Native American in Statuary Hall and he was also proud that Nevada chose to do a statue of a Native American. Mr. Hettrick said he had gone back and studied the history of Sarah Winnemucca and he believed she had been an amazing person and he did not believe Nevada could have chosen a better individual to honor in Washington, D.C. Mr. Hettrick said Nevada would get a great deal of press and publicity when the beautiful statue was installed.

Mr. Sisco said the artist had been brought to Nevada for a month in 2004 to complete the remaining design work on the statue. He said there had been school children from around the state to see the work in progress and the artist had been "fantastic" explaining the work to the children. Mr. Sisco said the artist completed most of his work in the evenings so that he could spend the days with the children and the visitors and teach them about the artistic process. Mr. Sisco said the artist's explanation of his work in progress had been a phenomenal exposure to culture for the school children.

Mr. Sisco said the fundraising done by the Nevada Women's History Project and Mrs. Guinn had outpaced the Department's expectations, and he was thrilled to be able to have a full-sized statue in the state, as well as a smaller statue for Las Vegas.

Mr. Sisco stated that he would update the Committee on the state museum being designed and built in Las Vegas. He played a video showing the architectural and electronics design and provided background information. Mr. Sisco said that Assembly Bill 9 of the Seventeenth Special Session of the Legislature provided for a ballot question more commonly known as Question 1, approved by the voters in November 2002, which authorized a tax increase to fund \$200 million of bond sales with the proceeds dedicated to protect, preserve, and improve cultural resources in the state of Nevada. Of that, \$35 million was dedicated to design and build a new state museum in Las Vegas to be located at the Las Vegas Springs Reserve site. He said the project was unique and that, due to the archeologically and environmentally sensitive site, the Department of Cultural Affairs had contracted with the Las Vegas Valley Water District, who was building other Las Vegas Springs Reserve buildings on the site, to manage the planning and, most likely, the construction of the building. He said the Department was still partnering with the State Public Works Board at a minimal fee to assist with the design and planning review, as well as relying on the Board for other negotiations. He said the Board assisted the Department and acted as the owner's representative, but primarily the building was being built by the Las Vegas Valley Water District.

Mr. Sisco said the architect selected for the project was the Paul Steelman Design Group. The architect's inspiration that influenced the design of the building was the shifting sands of the desert, the environment, the bold rock formations found throughout Nevada, the abundant flora and fauna, and the vast expanse of the desert sky. He said the ultimate goal for the museum, as the building by its design was tied to the exhibits, was for the museum to be a source for learning, inspiration, and amusement, as well as a vital link to understanding the environment. In addition to the state museum, the Las Vegas Springs Desert Foundation was developing the preserve to include a visitor's center and museum, emphasizing the springs' impact on the development of the Las Vegas Valley. He said it would include a desert living center, a heritage and conservation garden, and numerous other trailside attractions within the campus and surrounding trail areas.

Mr. Sisco stated that he hoped the museum would open early in 2007 but now the projection was for it to open in mid- to late 2007. He said the Department was experiencing the same cost concerns for the museum as existed on other Public Works Board projects. He said the size of the museum had been reduced from the 75,000 square feet originally sold to the voters to 69,000. Mr. Sisco said he had discussed holding the square footage at the 69,000-square-foot level and if concrete and steel price trends continued to increase, the Department might have to return to the Legislature for full funding of the exhibits.

Chairman Arberry asked when it was decided to reduce the size of the museum building. Mr. Sisco said the decision to reduce the size of the building had been made approximately eight months before for two reasons. The footprint available necessitated building up rather than out and there were environmentally sensitive and archeologically sensitive areas around the building. He said that as it worked out, the Department had looked at a three-story building, and that was reduced to a two-story building, but there was no way to increase the footprint of the building. Mr. Sisco said that the 69,000 square foot size fit the museum's needs and the Department was not unhappy with the size. Mr. Sisco reiterated that his concern was with steel and concrete prices. He said that the building would be built, but approximately \$5 million that had been set aside for the exhibits might have to be used for construction of the building.

Chairman Arberry said he had not previously heard that the building size was to be reduced. He said the voters had approved the larger size building and he asked what would be needed to "make it whole."

Mr. Sisco answered that he was unsure that the footprint would allow for the larger size building. When the plan for the building was made an estimate of size was done, and because of surrounding buildings and other restrictions, a larger building could not be constructed.

Chairman Arberry asked Mr. Sisco to advise the Committee beforehand if it was decided to reduce the size of the building further. Mr. Sisco said he would keep the Committee informed, and it was his intention to inform the Committee that the Department believed the building could be built for \$35 million, but if that could not be done, the 69,000-square-foot building would be built and the Department would come back to the Committee for additional funding rather than reduce the size of the building.

Mr. Sisco stated that the Department anticipated being in the building for 100-plus years, and it was important that the building that was built would be up to the challenge.

Mr. Sisco continued his presentation by saying that the Commission for Cultural Affairs distributed proceeds from state bond sales in the amount of \$2 million each year to preserve historic structures and to establish a network of community cultural centers throughout the state. He said the Commission for Cultural Affairs had helped over 70 buildings and established cultural centers throughout the state in its first 10 years. The 10-year authorization period for the Commission for Cultural Affairs expired in 2004 and Senate Bill 4 was awaiting a hearing that would, hopefully, reauthorize the Commission for another 10 years and increase the annual amount to \$3 million per year. Mr. Sisco said [Exhibit B](#) contained information on the funding granted during the

Commission's first 10 years. He said the issue would be heard by the Senate Finance Committee in the following week.

Mr. Sisco pointed out in [Exhibit B](#), and for each budget, there was a page entitled, "In a Nutshell..." and that would explain each budget at a glance. He said there were five main decision units that would either increase ongoing funding or increase staff levels.

Mr. Sisco pointed out in [Exhibit B](#) a pie chart detailing the Department's funding. He said the Department of Cultural Affairs received 0.46 percent of the General Fund. He said the chart gave the false impression that the funding had kept up with growth in the state but in reality, as costs for existing staff, rent, and insurance increases, as well as other increases had continued to grow, the Department was having a hard time keeping up with providing the same level of services it had provided six years before. Mr. Sisco said in the prior Legislature he had reported to the Committee that each year the Arts Council received many more requests for services to be provided. He said that he was pleased to report that the Governor did address that growing need in [The Executive Budget](#).

Mr. Sisco explained a chart in [Exhibit B](#) entitled, "Department of Cultural Affairs, Citizens Use of Department Services FY2004: 10,389,206." He said there had been an enormous number of citizens and visitors that had been touched by the programs that were either supported by the arts, humanities, or historic preservation projects throughout the state. Mr. Sisco said the Department was pleased that many lives could be enriched with the small amount of General Fund dollars.

Mr. Sisco stated that 74 percent of the Department's funding came from the General Fund, approximately 14 percent from federal funds, 7 percent from fees and charges, and approximately 4 percent between agency transfers, private grants, balance forwards, and donations. Mr. Sisco pointed out that [Exhibit B](#) included information on the funding sources for all the Department's budgets.

Assemblyman Denis asked what the opportunity was to increase the private donations. Mr. Sisco said the Department "went after" every type of private grant from various foundations. He said that donations to the museums were a little more difficult because visitors did make small donations as they entered museums, but not to the same degree as they did to private museums. Mr. Sisco said visitors to the museums realized that the state "pays the light bill and keeps the doors open." He said the Department used the donations for educational opportunities and new exhibits and, in some cases, purchasing artifacts and collections before they left the state. Mr. Sisco said that one could find more of the state's history on eBay than the Department was able to purchase in an entire year. He reiterated that donations to a state museum were not made at the same level as were made to private museums.

Mr. Denis asked if that was typical across the United States. Mr. Sisco responded that it varied upon the location and type of museum. He said that, for example, the railroad museum did better on donations than the Historical Society in Reno. Mr. Sisco said a paper-based museum might not have as much in donations as a three-dimensional artifact type of museum.

Mr. Denis asked if the Department had a plan for soliciting private donations. Mr. Sisco said the Board of Museums and History had been granted the authority and oversight responsibility for what the Department referred to as private funds. Those were donations; anything other than General Funds, train

ride fees, admission fees, and federal funds. Mr. Sisco said the Board of Museums and History reviewed the donation process annually and conducted membership drives. He said the Department did not have any funds for advertising in any one of the facility's budgets. Mr. Sisco said the brochure for the Historical Society in Reno still had a 702 area code although the area code had been changed to 775 many years ago. The level of funding did not allow reprinting of the brochures with the correct area code. He said the Department did the best it could but there was no one dedicated to fund-raising. Mr. Sisco said the Board had funded a foundation for a period of time that worked hard to bring funds into the state and it was a very difficult task. He said that in most states the primary industry in the state gave museums the most support, but in the State of Nevada, the primary industry was not that interested in having people leave their facilities to go to the museums.

Mr. Sisco said that [Exhibit B](#) also contained a chart showing the staffing levels for the Department of Cultural Affairs. In 2003 there were 174 positions, but that number had been reduced to 162 due to the state budget crisis. The Executive Budget proposed 168 positions.

Assemblywoman Giunchigliani asked where the Advisory Council on Holocaust Education was included in the budget. Mr. Sisco responded that it was included in Budget Account 2892, the director's office budget.

Mr. Sisco said the director's office was the administrative oversight arm of the Department. He said the office consisted of six employees, the director, the administrative services officer, the public information officer, the personnel analyst, one support staff position, and the computer network technician. He said the public information officer played a critical role in working with agencies and programs of the Department to provide citizens and visitors to the state of Nevada information about many services available to the public. He said that none of the agencies had any formal funding within their budgets for marketing or advertising. Mr. Sisco stated that the public information officer worked with agencies to develop low or no cost strategies to increase the use of agency services and increase attendance at functions held for education, promotion, and fund-raising purposes.

Mr. Sisco referred the Committee to the organizational chart contained in [Exhibit B](#) and said that any positions proposed in The Executive Budget were shown in red. He said that two positions had been requested in Enhancement Unit E-250 and the names of key people had been included in the positions on the organizational chart. Mr. Sisco explained that for every budget in the Department there was a page included in [Exhibit B](#) entitled, "In a Nutshell" that described important decision units.

Mr. Sisco stated that for each budget in the Department there was included in [Exhibit B](#) an expanded program narrative that had been developed with the staff of the Fiscal Division. He said Section 1 of the expanded program narrative was broken down to the statutory mandate of the agency, the program descriptions, and the public purpose and critical need. He said that Section 2 showed the new programs included in the budget account, Section 3 was the performance measurements, Section 4 showed workload statistics, Section 5 showed maintenance units, and Section 6 listed the enhancement units.

Mr. Sisco said Enhancement Unit E-250 provided positions for computer support and a management analyst position for the director's office. He said the Department had a difficult time attempting to keep up with all the requirements, security requirements and state administrative requirements in particular.

Mr. Sisco said the Department had gotten to the point where it could not comply with the requirements with the level of staffing it had. He said that currently there were four different Legislative Counsel Bureau auditors in the four divisions of the Department, and each one of them had been "flabbergasted" that there was no payroll or personnel clerk, as the auditors had looked for those employees to discuss how the Division operated. Mr. Sisco stated that most of the divisions in the Department of Cultural Affairs had one fiscal or administrative person, and the division administrator and that one person were the combination office manager, accounts payable clerk, payroll and personnel clerk, and building manager. Mr. Sisco said the management analyst position would solve some of the problems and would help in the management of the extensive contractual requirements. The management analyst would assume duties from each of the four divisions so each division would have more time to deal with internal control issues, personnel, and payroll requirements.

Mr. Sisco stated that the second position requested was for a computer system technician. He said the Department currently had one computer support position in the director's office who was responsible for 300 combined file servers, personal computers, notebook computers, other peripherals, plus long-range planning. That position also handled budgeting, purchasing, and day-to-day trouble shooting. He reiterated that the position would provide computer support to all four divisions of the Department, as well as to the director's office.

Chairman Arberry asked who was currently providing computer support. Mr. Sisco replied that there was one position providing all computer support. He said the Department had been unable to keep up with the requirements from the Department of Information Technology (DoIT). He said DoIT had approximately 21 new standards for security issues with 171 new requirements, and the Department had been unable to keep up with the requirements. Mr. Sisco said that the Department was "holding its own on the level of security it needed," but it was not able to comply with the new requirements.

Chairman Arberry asked if the Department would be able to catch up with the workload if the two new positions were funded. Mr. Sisco responded that if the management analyst position was funded he believed the Department would come very close to complying with the requirements contained in the *Nevada Administrative Code*. If the computer support position was filled, he believed the Department would be able to catch up and take care of the current level of requirements that would come from the Department of Information Technology.

Assemblyman Denis asked if the computer support position requested would support the Department's current computer position. Mr. Sisco replied that the position requested was a much lower-level position who would handle the troubleshooting and installation of new equipment so that the existing position could perform higher-level responsibilities such as planning, budgeting, and complying with the DoIT requirements.

Mr. Denis asked how many personal computers were maintained in the Department. Mr. Sisco stated that there were over 300 file servers, personal computers, notebook computers, and other peripherals. Mr. Sisco said there were 160 employees in the Department but there were almost 260 PCs. Many of those PCs were located in the libraries and museums for volunteers and patrons. Mr. Denis asked Mr. Sisco to provide the Department's network map that showed all the connections. Mr. Denis asked who would provide computer

support if the one computer support employee was sick. Mr. Sisco corrected himself and stated that there was one person who handled the director's office and three agencies of the Department. He said there was another person who worked just in the library because of the patron use there. Mr. Sisco stated that they often borrowed from one another to provide computer support. Mr. Denis asked Mr. Sisco to provide information on software and databases in use at the Department.

Assemblywoman Smith asked why the Governor's recommendation was higher than the Department's regarding Enhancement Unit E-250. Mr. Sisco said that the budgets were prepared in June 2004 and salary adjustments or cost assessments that were based on employee full-time equivalent count were done later. He said there had been a substantial increase in the DoIT allocation program and almost all of the increase was related to salary issues.

Mrs. Smith asked if the difference was due to the proposed 2 percent cost of living increases, and Mr. Sisco answered that it was due to changes in the costs of employees.

Mr. Hogan said he realized it could be very difficult to quantify many of the fields contained in the Department, but he believed the Department could benefit from having performance measures. For example, he thought there might be a possibility of constructing a performance measure that would give the Committee comfort and help the Department identify the numbers of grant applications submitted, to be broken down from federal sources or private sources, that would indicate and encourage a level of activity and a level of alertness to what might be available. Mr. Hogan said that he was recently startled to find out that an agency had located and secured a grant from the National Security Agency (NSA), one of the best-funded and least-known agencies in Washington. Mr. Hogan offered the suggestion that the Department could measure and set goals for applications and receipts of grants. Mr. Hogan said another suggestion was to put the data on file that was kept on public usage of the facilities and set goals for that. He said there was a rapidly growing population and the Department should continue to encourage tourists and citizens to use the facilities.

Mr. Sisco said he appreciated the fact that Mr. Hogan recognized that it was very difficult to measure the goals of the Department of Cultural Affairs. He said that preservation of public documents, such as the *Constitution of the State of Nevada*, was extremely important, although at the time someone saved the document the value of its preservation was not known. He said that unless anyone present at the meeting planned to be around in 200 years it would be difficult to look back and appreciate what had been done. Mr. Sisco said that there were 15 budgets to be discussed and there were only two of those that were strictly administrative. Mr. Sisco stated that Mr. Hogan would see exactly what he wanted to see in performance measures for grants as each budget was discussed.

Mr. Sisco said that Enhancement Unit E-325 was to fund the Advisory Council on Holocaust Education. He said that in 1989 the Council was established and it had been funded through various "one-shots." Mr. Sisco said that the funding had been included in The Executive Budget for \$75,000 in FY2006. He said past budgets for the Council had included approximately \$40,000 for student teacher training, \$15,000 for research materials for training, \$15,000 for grants and scholarships, and \$5,000 for operations. Mr. Sisco said there was only one issue and that was to fund the Council for FY2007. Mr. Sisco reiterated that it

was the intention of the Governor to include the funding for the Council in The Executive Budget rather than funding it with "one-shot" allocations.

Assemblywoman Giunchigliani said she appreciated that the Governor had included the funding for the Council in The Executive Budget. She asked if it was Mr. Sisco's understanding that any unexpended funds in the first year of the biennium would be used in the second year of the biennium. She asked why the Council was not funded for both years. Mr. Sisco said he believed the funding had been added at the very end of the budget process and there was some confusion but there was no objection to funding the Council for both years. Ms. Giunchigliani said that an adjustment might need to be made when the Committee began closing budgets. She said the funding was for training, and sometimes that funding was not used up in the first year and should be carried forward to the second year.

Mr. Sisco said that Enhancement Unit E-710 provided replacement computer equipment for the Department to meet the replacement schedule. He said the primary computer support position was housed in the director's office so all funding for computer replacement was requested in the budget for the director's office, although the computers were spread throughout the Department. Mr. Sisco said the Department had three- and five-year schedules for computer replacement. He said users with normal usage had their computers replaced every five years, and high-end users were on a three-year schedule. Mr. Sisco said they did not have a schedule for any of the public workstations or volunteer workstations. Mr. Sisco said that the three- and five-year schedules might seem excessive but were not because all of the replaced computers became "hand-me-downs" to library patron workstations and volunteer workstations in the museums and other places where PCs were used.

Assemblyman Denis asked why the Department used a three- and five-year replacement schedule when DoIT used a four-year schedule. Mr. Sisco said the schedules varied and DoIT did not have a standardized schedule that was based on the amount of usage of the computers. Mr. Sisco said the three- and five-year schedules worked well for the Department because there were many computers not included in the schedule and the Department ended up using all the computers, although some of the computers averaged seven years of age.

Mr. Denis asked if the older computers required more time for additional support. Mr. Sisco replied, absolutely. Mr. Denis asked Mr. Sisco to provide detail on the Department's requests. Mr. Sisco pointed out that the information was included in [Exhibit B](#).

Mr. Sisco stated that Enhancement Unit E-720 was for new equipment in the amount of \$2,499 for the Nevada State Museum.

Mr. Sisco said Enhancement Unit E-811 allowed for implementation of the Department of Personnel's consistency in the unclassified service.

CULTURAL AFFAIRS, COMSTOCK HISTORIC DISTRICT (101-5030) – CULTURAL-7

Ronald M. James, State Historic Preservation Officer, reported that he appreciated the Committee's support over the years and also appreciated the Governor's support for the budget. He said that everyone could be very proud of the upcoming opening of the Comstock Historic District Commission in Virginia City. Mr. James said the Department had implemented a program to honor the centennial ranches and farms throughout the state. He said they

believed they would honor approximately five ranches or farms per year, and he hoped they would receive five to ten applications yearly. Mr. James said the Department received 32 applications in the first year and ended up recognizing 16 ranches and farms that had remained within families for at least 100 years. He said that the Department was receiving even more applications and planned to catch up with the backlog. He said families that had been struggling for a century to maintain a ranch or farm in unforgiving environments were very special. Mr. James said the Department was also looking for reauthorization for the Commission for Cultural Affairs. It had been a great program and all citizens had benefited from it in some way.

Mr. James explained that the Comstock Historic District Commission and the State Historic Preservation Office asked for two new positions and also asked for a transfer of funding from federal grants to help support the Commission for Cultural Affairs' position. The Department also asked for a new position to help with the geographic information system (GIS) database in order to eliminate the backlog of paper that could not be disposed of. Those were very valuable documents and a digitizing and microfilming program would be instituted. The Department also requested a museum attendant position for the Comstock Historic District Commission's office.

Mr. James said the Comstock Historic District Commission was an unusual agency involving a collection of people who lived in the Comstock and strove to be unique. He said the Comstock Historic District Commission played a critical role in managing one of Nevada's most visited cultural resources. The local visitor's authority reported that there were up to 1.3 million visitors per year to the Comstock. It had an extremely important effect on the region's economy and was one of the more important landmark districts in the nation. He said that together with the Historic Preservation Office, the Commission had continued to implement the first comprehensive approach to the Comstock's archeological resource, and it participated in excavations that had made news around the world. Mr. James said those Committee members who had been in the Legislature before would remember the Tabasco sauce bottle. He said the Department had the world's oldest Tabasco bottle. Mr. James invited the Committee to go to his office to see the bottle. He said the bottle would be moved to the State Museum to be integrated into an exhibit called "Havens in a Heartless World: the Archeology of the Saloons of Virginia City." Mr. James continued and said that he had some of the "coolest" artifacts in the world in his office. Mr. James said a computer tomography (CT) scan had been performed on the bottle so that it could be replicated and copies could be displayed in various locations. He said that the Tabasco Company, in Avery Island, Louisiana, offered to buy the bottle, but it was not for sale. He said the Tabasco bottle was covered by the *Shanghai Daily News*, two newspapers in Germany, the *Manchester Guardian*, and was featured on Cable News Network (CNN) for a 24-hour news cycle. Mr. James said that Tabasco, in Avery Island, Louisiana, had been offered a replica of the bottle, and that would broaden the base of people who got to see the bottle. He said the exhibit that was being prepared would travel throughout the state and he hoped to serve everyone in the state in one form or another.

Assemblywoman Smith asked if the Comstock Historic District Commission was the oversight body for the funding of the museum and whether the Commission was a voting body. Mr. James said the budget under discussion was the Comstock Historic District Commission, which was an architectural review commission that had purview over Virginia City, Gold Hill, Silver City, Dayton, and the tiny town of Sutro. He said there was also the Commission for Cultural Affairs, which was the advisory board for the entire Department. He said it had

a ten-year grant program to rehabilitate historic buildings for use as cultural centers. It was composed of chairs from various boards and councils within the Department, including the Arts Council, the Board for Museums and History, the Library and Literacy Board, the Humanities Committee, an additional representative from the Museums and History Board, and an at-large position to represent tourism. Mr. James told the Committee that it would be hearing from the Administrator for Museums and History, who would talk about how the Board for Museums and History was related to the private fund. Mr. James explained that the structure was complex, and the Historic Preservation Office shared the Board for Museums and History, which union had occurred in 1993. At that time, one board was eliminated and two other boards were merged to serve both agencies. Mr. James said the Board for Museums and History did not have fiduciary responsibility for the Comstock Historic District but it did for the Division of History and Museums.

Chairman Arberry asked what hours Mr. James anticipated the new facility to be open to the public. Mr. James explained that he wanted to work toward seven days a week with hours from approximately 10 a.m. until 4 p.m. He said it would depend upon how successful the half-time position was in building a docent council because volunteers would have to be relied upon to keep the doors open. Mr. James said there was one full-time position, who was the Inspector Clerk for the District, and his responsibility was increasing as the population grew because people wanted to make alterations to their homes and businesses, and that was the "bread and butter" of why the Commission existed. The existing half-time position would help maintain the existing office hours, and that position would help to a certain extent in keeping the doors open to the facility. He reiterated that a docent council would be relied upon and he hoped that he could report in two years that the facility was open seven days a week, although they may have to "trim back" on Mondays and Tuesdays.

Chairman Arberry asked if the budget included adequate funds for utility costs. Mr. Sisco responded that he hoped so but it would depend on how cold the winter was. Chairman Arberry said the budget reflected only a 1.5 percent increase from FY2006 to FY2007. Mr. Sisco said the base was "rolled up" with adjustments to the base, and since it had been anticipated that the building would be opened before the end of the fiscal year, the actual base was adjusted before it went to the Legislative Counsel Bureau, and the percentage increase the Committee saw was after it had been taken into account that the agency was going from a 300-square-foot building to a 3,000-square-foot building. Mr. Sisco said there were actually two different increases included, one increase for the change in size, and the other was the normal inflationary percentage that was included in The Executive Budget.

Mark Stevens, Assembly Fiscal Analyst, asked Mr. Sisco to review the figures because there had been a 4 or 5 percent increase in certain utilities in each year of the biennium, and the overall increase in that budget had been 1.5 percent in the second year of the biennium. He said it was a very small budget and it was important to be certain there was sufficient utility money included in the budget. Mr. Sisco said there might have been a typographical error or other error made, because the inflationary increase was calculated on the original base before it was adjusted to the 3,000-square-foot building. He did not believe it would change the figures appreciably but he said he would review the figures.

**CULTURAL AFFAIRS, STATE HISTORIC PRESERVATION OFFICE (101-4205) –
CULTURAL-11**

Mr. James stated that the State Historic Preservation Office (SHPO) had statewide responsibilities and that was in contrast with the Comstock Historic District. He said the SHPO had some remarkable successes in the past and he thanked the Committee for its support in the past. Mr. James said the office had worked with the Bureau of Land Management (BLM) to develop the Sloan Canyon petroglyph site in southern Nevada.

Mr. James said the office had also had great success with the Las Vegas Post Office building in downtown Las Vegas. Mr. James said he had worked with Senator Reid's office to secure a fairly sizable grant from the Institute for Museums and Library Services, and that was helping bring some of the interior spaces back to a pristine state. Mr. James said the office was working with the city to develop a landmark designation for the Las Vegas Post Office. Currently, there were six landmarks in the state and the project would be a proud seventh landmark. The office was very hopeful that it would be a remarkable institution that would serve a broad base of cultural needs for the Las Vegas community and all of its visitors.

Mr. James stated that the SHPO was working very closely with the BLM to interpret the Spanish Trail through southern Nevada. He said that in northern Nevada the SHPO had been working with the local public broadcasting station and funding a program called "Houses with a History." Mr. James said those were delightful programs that portrayed the history and the people who had taken over those houses to show the love demonstrated by people who took on the burden of owning a historic house. He said the owners became enmeshed with the homes and treated them as their most beloved children. Mr. James said the television show "Antiques Road Show" came to Reno in summer 2004 and filmed three segments that would premier beginning at the end of March 2005. Mr. James said the show had done a nice job of filming the archeology in Virginia City, which would be portrayed on national television. Mr. James said the SHPO was mandated to encourage the preservation, documentation, and use of cultural resources throughout the state. He said that the SHPO was a state agency that was provided federal funds from the National Park Service to provide support for historic preservation activities in Nevada and would also manage the historic marker program.

Mr. James stated that the SHPO asked for a new historic preservation specialist position in the budget to help manage the database, which was to be digitized. He said the database assisted developers as they worked with federal regulations to determine where there were archeological resources and where there were buildings eligible for the National Registry. That survey base was previously available only on hard copy and it had become increasingly available online. It was extremely important for developers when they made plans for opening businesses that required federal permits, federal land, or federal funds. It had proven to be extremely good and the new GIS position would assist the SHPO in maintaining the program and making it accessible to those in the public with clearance to have access to the restricted information. Mr. James said the building part of the database would be available to the general public. Mr. James explained that Enhancement Unit E-331 would provide funding to microfilm and digitize data and that data would be available as more and more of the material was put online. That would also help to eliminate the backlog of paper.

Chairman Arberry asked whether the SHPO could charge fees for the services provided by the position requested in Enhancement Unit E-252 in order to partly offset the impact on the General Fund. Mr. James responded that the position was offset largely by a federal grant that was received from the National Park Service. He said the State's share of the funding was fairly small. He said there were businesses and agencies that were interested in contracting with the SHPO to provide the service for them. Mr. James said it occurred in other states and many businesses and federal agencies were accustomed to doing it. His expectation was that the money would go to digitize even more records and make the GIS database even more useful. He said the amount of money under discussion was minimal, approximately \$5,000 per year. He hoped the money could be used to augment the system and integrate new survey data as it became available; otherwise the GIS database would become worthless and there would be a return to the paper record. Mr. James said they would look to using the funding to build the system. He said the system had been funded almost entirely with federal grants. Mr. James said the SHPO had received over \$1 million in federal grants to create the system, and its users had a vested interest in making sure that it was maintained, enlarged, and improved.

Chairman Arberry asked Mr. James to comment on the condition of the current historical markers and how many markers were planned for renovation during the upcoming biennium. Mr. James responded that the marker program expanded dramatically when it was founded by the State Parks system before the SHPO was created in 1977. He said the State Parks system installed an average of 20 new markers a year. Mr. James said he might not have put all those markers in the locations they had been installed, but they were very hard to eliminate once they were placed. Mr. James stated that some places were very high risk for markers, and each of the markers represented a maintenance obligation. He said maintenance became the focus of the program and had been the focus of the program for the past 20 years. Mr. James said approximately two or three new markers were installed each year and he thought that was appropriate. Mr. James said that by the Legislature's request, a marker had been installed at the Governor Boyle gravesite in Reno approximately one and a half years before. He said that the preceding year a marker to commemorate the contribution of the African-American community and the Boston Saloon in Virginia City had been installed. Mr. James said that in 2005 the SHPO would work with the BLM to install new markers to help interpret the Spanish Trails system. Mr. James said that he was sensitive to the fact that the more markers that were installed, there would be more markers to be maintained.

CULTURAL AFFAIRS, NEVADA STATE LIBRARY (101-2891) – CULTURAL-18

Sara F. Jones, State Librarian and Division Administrator of the Nevada State Library, introduced herself and said she would play a brief video that spoke to the issue of library development nationwide, but she believed there was a parallel to Nevada's libraries. (Played video regarding Salinas, California, libraries.) Ms. Jones stated that she was happy to report that Nevada had no libraries that had closed, as they had in California, but there were some situations that should be watched and considered carefully. She said the Beatty library was able to keep its doors open only through volunteers. After the Bullfrog Mine had closed, the library's revenues went down drastically and they were not able to hire a library director for approximately six months. The library was kept open with volunteers but was not able to stay open for 20 hours per week. Another library that concerned Ms. Jones, in terms of its health and vitality, was the Pahrump Library. Ms. Jones said it was a beautiful library that had been designed by the same architect who designed the Leid Library at University of Nevada, Las Vegas (UNLV). She said the facility was gorgeous

but there had been insufficient operating funds. There had been a tax bond issue that had failed and the library was currently attempting to decide whether to purchase new library books or pay their utility bills. Ms. Jones said the North Las Vegas Library also was struggling. She said that library was only able to spend \$1.24 per person on books and had less than one book per person to provide to their patrons. She said the community the library served was largely poor and Hispanic, and although the doors could be kept open, providing a strong and vital library was difficult.

Ms. Jones noted for the record that in [Exhibit B](#) there was a lovely photograph of the new bookmobile. She said that program was dear to her heart, as she had run that system before she came to manage the State Library and Archives. Ms. Jones said it took approximately ten years to acquire the funding to buy the bookmobile and currently there was a financial struggle to keep it on the road. She also pointed out a photograph of a woman and schoolchildren and thanked the Legislature for supporting statewide databases through the Commission on Educational Technology. Ms. Jones said the state library had partnered with federal and local libraries to provide funds to buy library and information databases that were delivered to every library and every school in Nevada. She had high hopes that the program could be continued because she believed it was making a real difference in education in Nevada.

Ms. Jones said there were five decision units for the State Library and Archives. Ms. Jones said the State Library assisted not only public libraries but all libraries in the state in trying to provide the best in public service. She said that additionally she ran the State Library and provided reference and research services primarily with Nevada history and with the Library's role as a state and federal publications depository. She said the librarian answered reference questions, both by phone and walk-ins to the Library. Ms. Jones said that the Library was partnering with some public libraries in the state using a virtual reference program so patrons could have their questions answered via the Internet, and the resources used to answer those questions were actually given directly to the person asking the question. Ms. Jones said the Library also ran the program for the blind and physically handicapped that gave talking books to people who were unable to use print resources.

Ms. Jones pointed out that the State Library well exceeded its projected number of circulations. She said that because the State Library was a research library it did not have high circulation statistics, but the statistics were admirable for a research facility where most of the material was used in-house and very little went home with the researcher. Ms. Jones said 11,000 reference document checkouts had been projected, and the Library actually checked out nearly 19,000. Part of that was the Library's service to state government workers. She said many books were checked out to state workers for assistance with testing in an effort to secure state positions. She said there had been improvement on patron visits to the library, and Ms. Jones attributed that almost entirely to the State Library's new computer lab that had been installed using private Bill & Melinda Gates Foundation money. She said the Library installed ten computers and it was a training lab where people could learn about how to use computers.

Ms. Jones briefly mentioned Decision Unit M-101, which was the inflation rate on purchase of books and periodicals. She said most of the books tended to increase significantly and there was little option of keeping them or not keeping them. For example, if a library was going to have a complete set of a certain index, it would need to keep it updated. She said the Library also had seen a dramatic increase in the cost of microfilming newspapers.

Assemblywoman Giunchigliani asked if there was a 7 percent projected inflation on books. Ms. Jones replied affirmatively, and Ms. Giunchigliani pointed out that the Education budget had no inflation percentage built into its budget for textbooks. Ms. Jones said that was a standard figure for the books the State Library purchased, but she would help develop a standard for textbooks if the Committee wanted her to.

Ms. Jones said Enhancement Unit E-275 included funding for a software organizational tool called CONTENTdm. It organized digital collections such as photographs and maps. She said the Library was trying to partner with the University of Nevada, Las Vegas and the University of Nevada, Reno, which already had significant digital collections and used the Department of Cultural Affairs, Division of Museums' other libraries, so there would be one single source for digital collections, and different databases would not be built in many different places. She said the databases could be searched uniformly over time; for instance, if UNLV had a map of water resources and UNR had a similar one, the searcher could find those at the same time and bring up the resources all together. Ms. Jones said she had been able to purchase the software through Library Services and Technology Act (LSTA) money, and the enhancement unit would provide funding for maintenance to keep the software current.

Ms. Jones said Enhancement Unit E-711 would replace tables and chairs purchased for the board room and main conference room that had worn out over ten-plus years.

Ms. Jones stated that Enhancement Unit E-877 was a supplemental request for rent costs associated with providing additional records storage space in the lower level of the old Employers Insurance Company of Nevada (EICON) building.

Ms. Jones pointed out that during the last classification study completed for employees in the Library and Archives she had been successful in upgrading the employee responsible for the management of the grants from the federal government and the redistribution. The vision was that the employee could actually reach out and bring in grants in addition to the one given in the state-based formula. She said there had been success with that, and they had been able to bring in almost \$400,000 to educate librarians through the Institute of Museums and Library Services, and also had several hundred thousand dollars in Gates Foundation grants.

CULTURAL AFFAIRS, ARCHIVES AND RECORDS (101-1052) – CULTURAL-24

Ms. Jones stated there had been a program audit done over a year before and records management in the state of Nevada had been studied to determine whether the Division was effective and efficient. She said the audit recommended establishing a southern Nevada facility and that was being reviewed in the capital improvement projects in order to address the needs for a southern facility for records management. She said the audit also pointed out the records center in Carson City was at capacity and should be expanded. Ms. Jones said that to increase the effectiveness of records management, 3,000 square feet of additional space had been rented, and the long-term records would be moved to that facility because there was no staff at the facility. She said it would be locked and secured, and only when someone needed something would a staff member go to the facility.

Ms. Jones said Enhancement Unit E-225 was a request for a small amount of money to be used to destroy non-confidential records. The enhancement unit would provide for an additional 26 hours of time from Buildings & Grounds Services personnel and eight additional equipment rentals to destroy records. Those records would not contain social security numbers or have any other reason to need to be shredded. Ms. Jones said there were a number of records that needed to be disposed of and the Division had run into trouble during the last biennium because there was not enough funding to dispose of things that should have been disposed of.

Ms. Jones said that Enhancement Unit E-226 would provide for the one-time purchase of shelving, platform trucks, and other equipment for the rented space in the EICON building. She said she did not intend to do anything very elaborate because the records just needed to be off the ground and accessible. She said some of the records might have 50- or even 80-year-retention schedules and preservation activities, such as using acid-free folders, might need to be done.

Ms. Jones explained that Enhancement Unit E-717 would provide for a heavy-duty shredder. She said the State of Nevada was moving toward a central contract for shredding at a cost of approximately \$3 per box. She said the Division simply could not afford that because of the heavy amount of shredding performed. Ms. Jones said with a heavy-duty shredder, the Division would be able to shred over time, significantly lower the cost, and keep the records center as open as possible. She said the shredder was a cross-cut shredder that would be in compliance with the Health Insurance Portability and Accountability Act of 1997 (HIPAA).

Ms. Jones pointed out that Archives and Records had seen a high increase in the number of requests for historical information and had done more records retention schedules than it had expected.

CULTURAL AFFAIRS, MICROGRAPHICS AND IMAGING (101-1055) – CULTURAL-30

Ms. Jones said Budget Account 101-1055 was an enterprise fund. She said that Micrographics and Imaging did full service microfilming and imaging. Ms. Jones said that if someone had a paper document that needed to be microfilmed for the long term, they often wanted it imaged at the same time because it was easier to access. If it could be put in a computer database it could be looked at, organized, and searched. She said documents were microfilmed for preservation because they were unsure of the stability of the medium that it might be stored on and the microfilm was an analog medium that would be available for many, many years in the future. Ms. Jones said Micrographics and Imaging was struggling in some instances because some state agencies were purchasing their own microfilming and imaging equipment. She said that was a difficult thing for very small agencies who could not possibly afford to purchase the equipment and did not have adequate staff. Ms. Jones said her concern was that Micrographics and Imaging would be able to continue serving the small agencies and the people who would not be able to buy the equipment and do the work themselves. Ms. Jones said that because Micrographics and Imaging was an enterprise fund none of the funds would be spent unless they earned it. Micrographic and Imaging would not be allocated funds; funds would only be spent as a cost recovery for services.

Ms. Jones said that Enhancement Unit E-710 was primarily for replacement of Application Extender software. A document could be imaged and the person in an agency could actually look at the document. It provided secure databases in

both places. She said it was important that no one be able to "hack" into the database or view the information. Ms. Jones said that Micrographics and Imaging also needed to keep up with technology by purchasing personal computers and equipment that could both image and film at the same time.

Assemblyman Denis asked if there would be sufficient records storage capacity if funding were not approved for the microfilm project. Mr. Sisco said there had been discussions between the Division, the Budget Office, and the Legislative Counsel Bureau Fiscal Division about additional funding, but to the best of his knowledge, there had been no budget amendment submitted to fund the microfilm project. He said The Executive Budget would "make us whole," although the Division might struggle and had looked at the possibility of laying off one staff member because it was an enterprise-funded position. He said the Division would continue to attempt to move the records in and out as quickly as possible.

Mr. Denis asked if a time would come when records would no longer be microfilmed. Ms. Jones responded that the time would come but she did not believe the Division was anywhere near that point currently. She said there was not a stable, open system that would preserve records electronically where one could be certain that the hardware and software for access would be available. Ms. Jones said the current standard was to image documents for access and to film documents that needed to be stored beyond ten years. She said that there were problems with backward compatibility even with Microsoft Office products. Ms. Jones said the safe thing to do was to film because it was not very expensive, approximately two cents per image, and if it was done at the same time it was very efficient. She said the Division had paper records that needed to be filmed, as that was inexpensive, and then the need for space would be reduced. She said several boxes of paper documents could be put on one small roll of microfilm. Ms. Jones said the Division wanted to microfilm documents with a 50 year plus retention schedule and that would really help.

Ms. Jones reiterated that the Micrographics and Imaging Division was an enterprise fund and earned all its dollars for both personnel support and for any technology needed to remain competitive.

CULTURAL AFFAIRS, NEVADA STATE LIBRARY – LITERACY (101-2893) – CULTURAL-35

Ms. Jones said the Literacy budget provided literacy services and resources statewide. She said there were no enhancements to the account but she did point out that the Division was stable with just two persons in the Literacy Coalition. She said it was a large struggle because the program manager was out for nearly a year because of catastrophic medical leave, and with that few employees and someone out that long, there was a profound effect on the program. Ms. Jones said two people trying to address the literacy needs in the State of Nevada was "short."

Assemblyman Hogan asked if the very small staff had the capability of helping local literacy programs to obtain grants and other types of support. He said he asked that because the Las Vegas National Urban League Chapter was putting together a program for literacy in the local communities and he said he was unsure if the Chapter knew of the resource.

Ms. Jones responded that the Division had a resource center that contained a great deal of literacy resources so that a trainer or tutor could come in and use the resources. The staff would also help write grants and locate other

resources. Ms. Jones said that most importantly, the Division had a toll-free number so adults who needed to learn how to read would be referred to a provider. Ms. Jones said the Division partnered with all the adult basic education and the Department of Education. She said a great deal of the funds for the Division came from that and the federal Library Services and Technology Act. Ms. Jones said the Division did not accomplish some of its performance indicators due to the small staff and extended absence of one of those staff members. Ms. Jones said there was a large challenge to literacy in Nevada and it would take the community and all sorts of people to address the issue.

CULTURAL AFFAIRS, NEVADA STATE LIBRARY – CLAN (101-2895) – CULTURAL-39

Ms. Jones said the budget for the Cooperative Libraries Automated Network (CLAN) was very straightforward. The Nevada State Library and Archives was the fiscal agent and provided computer services to most public libraries in Nevada except for the largest ones in the urban counties where they had the resources themselves. She said the Division shared the resources and bought needed items together much more effectively than if there were 22 systems attempting to negotiate for their own library systems, databases, and Internet service. Ms. Jones stated that the Division could take better advantage of available programs by combining resources and applications.

Assemblywoman Giunchigliani asked if there was a possibility of creating a rural library district to serve the poorer, rural counties. Ms. Jones said that could be considered but that would require tax dollars, and in some counties there was no growth and no funding available. Ms. Jones said there was no horizon for business in Lincoln, Nye, and Esmeralda Counties.

Ms. Giunchigliani stated that over the years the Legislature had looked at removing the indigent fund and education from the property tax rate because it was not intended to be included after the 1981 tax shift legislation. Ms. Giunchigliani said the issue of consolidation should be considered, as there might be some areas that could benefit from consolidation. Ms. Jones said she would be very interested in looking at consolidation, as she had previously operated the Elko system, which was consolidated with Lander and Eureka Counties, and those counties paid a contract fee. Ms. Jones said that fundamentally the issue was whether there was anything to gain by consolidating.

Mark Stevens explained the BDRs were administration bills that had been included in The Executive Budget for supplemental and one-shot appropriations. Chairman Arberry asked the Committee to consider introduction of the following bill draft requests:

- BDR S-1187: Makes supplemental appropriation to State Distributive School Account for unanticipated expenses for Fiscal Year 2004-2005 for providing health care subsidies to retired school district employees. (Assembly Bill 93)
- BDR S-1194: Makes supplemental appropriation to State Department of Conservation and Natural Resources. (Assembly Bill 94)
- BDR S-1195: Makes supplemental appropriation to Department of Business and Industry for unanticipated shortfall in money for Fiscal Year 2004-2005 resulting from reclassification of positions in Nevada Athletic Commission. (Assembly Bill 95)

- BDR S-1202: Makes appropriations to restore balances in Stale Claims Account, Emergency Account, and Reserve for Statutory Contingency Account. (Assembly Bill 96)
- BDR S-1207: Makes appropriation to Account for the Governor's Portrait to provide money for preparation and framing of portrait of Governor Kenny C. Guinn. (Assembly Bill 97)
- BDR S-1209: Makes appropriation to Motor Pool Division of Department of Administration for additional vehicles. (Assembly Bill 98)
- BDR S-1211: Makes appropriation to Department of Administration for support of Southwest Defense Alliance and for Nevada's representative serving on Alliance. (Assembly Bill 99)
- BDR S-1212: Makes appropriation to Department of Administration for allocation to Opportunity Village. (Assembly Bill 100)
- BDR S-1213: Makes appropriation to Department of Administration for allocation to Nevada Commission for National and Community Service. (Assembly Bill 101)
- BDR S-1215: Makes appropriation to Department of Administration for allocation to Nevada Humanities Committee. (Assembly Bill 102)
- BDR S-1216: Makes appropriation to Department of Administration for allocation to Nevada Rural Hospital Partners for establishment of pool for loans and grants for rural health care providers. (Assembly Bill 103)
- BDR S-1221: Makes appropriation to Western Interstate Commission for Higher Education for upgrades in information technology for accounting system. (Assembly Bill 104)
- BDR S-1223: Makes appropriation to State Department of Agriculture for acquisition of equipment for State Sealer of Weights and Measures. (Assembly Bill 105)
- BDR S-1224: Makes appropriation to State Department of Conservation and Natural Resources. (Assembly Bill 106)
- BDR S-1189: Makes supplemental appropriation to University and Community College System of Nevada for matching money for National Direct Student Loan Program for Fiscal Year 2004-2005. (Assembly Bill 107)

ASSEMBLYMAN MARVEL MOVED FOR COMMITTEE
INTRODUCTION OF THE 15 BDRs.

ASSEMBLYMAN SEALE SECONDED THE MOTION.

THE MOTION PASSED. (Mr. Perkins was not present for the vote.)

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Chairman Arberry recessed the meeting at 9:42 a.m. and reconvened the meeting at 9:50 a.m.

CULTURAL AFFAIRS, NEVADA ARTS COUNCIL (101-2979) – CULTURAL-43

Susan Boskoff, Executive Director, Nevada Arts Council, introduced herself and referred the Committee to [Exhibit B](#). She said photographs were included in [Exhibit B](#) to represent four of the six different programs that served a very broad clientele, including arts professionals, organizations, schools, artists, visitors, and citizens. She said her work had been divided into six different programs in order to most effectively serve the people who used the Nevada Arts Council. Ms. Boskoff said the pictures in [Exhibit B](#) showed the Arts in Education Program, the Folklife Program, and the Artist Services Program. She said there were also a Grants Program, Community Arts Development Program, and a Public Awareness and Arts Initiatives Program. Ms. Boskoff said that the programs were basically made up of one individual but two of the programs each had an associate located in the Las Vegas office.

Ms. Boskoff explained that the Nevada Arts Council programs provided a number of different services that were designed and assessed after a strategic planning process had been completed. She said that every three years the Council facilitated between 13 and 20 arts town meetings across the state. Ms. Boskoff said that was how the Council determined what the community's needs were and the needs were then built into the program.

Ms. Boskoff said Enhancement Unit E-332 would restore the 2003 cuts and increase funding for statewide arts programming. She pointed out in [Exhibit B](#) the Council's statutory mandate and program descriptions. Ms. Boskoff said that if any Committee member wanted to review the Council's strategic plan it was on the website. She referred the Committee to [Exhibit B](#) for the Council's public purpose and critical need, performance indicators, and workload statistics. Ms. Boskoff said the Council had been working with an online grants program and just recently chose not to implement it for the FY2006 grants season because there had been a problem with a database "dump" into a Microsoft Access document. She said that a report was prepared each year for the National Endowment for the Arts (NEA), which provided the Council a large portion of its funding. She said the actual FY2004 statistics were slightly changed from those shown in [Exhibit B](#) and she would provide them to the Legislative Counsel Bureau Fiscal Division. Ms. Boskoff said the actual statistics showed an increased number of grant awards and an increased amount awarded agency-wide. She said the Council awarded approximately \$1,000,000 in grants through more than 12 different grants categories.

Ms. Boskoff said the Council also had a large increase in the participants in Arts Council-funded projects and activities due to two major grantees who did regional and national television and radio shows. She said funding from the State helped produce those shows, and figures provided by Arbitron ratings were reported back to the Council.

Ms. Boskoff noted that the projected workload statistics for FY2005, FY2006, and FY2007 had been kept quite flat because the Council did not anticipate receiving a restoration of the budget cuts. She said those statistics would change if [The Executive Budget](#) was approved by the Legislature.

Ms. Boskoff said that as the demographics changed and the state population grew, so did the requests to the Arts Council and its sister agencies. She said the Department of Cultural Affairs was a department the public liked, came to often, and used frequently. The Department provided leadership activities as well as technical assistance, professional development opportunities,

workshops, research and referrals, statewide programs, and grants. Ms. Boskoff said that because of the accountability issues and the auditing issues, whether that was a \$400 "jackpot" grant to an artist or a \$30,000 challenge grant to an organization like the Nevada Museum of Art to increase its collections, the grants management system was the same. She said the Council went through the same process to review each one of those grants for accountability. Ms. Boskoff said the grant amounts were going down and the staff worked within the resources available.

Ms. Boskoff said that Enhancement Unit E-332 for \$200,000 each fiscal year was a reinstatement of the \$41,000 that had been cut from the FY2004-05 budgets. The cuts had been made to the Challenge Grants, Community Arts Development, Folklife, and Arts in Education programs. The restoration of those funds and the addition of \$159,000 per year would enable the Arts Council to support wider school and community participation in the arts throughout the state. Ms. Boskoff said the number of grants would be increased, and she hoped the grants could be awarded closer to the amounts that were recommended by the grants panels. The majority of the grants were reviewed by out-of-state panelists on the grants panel, which awarded approximately \$700,000 per year in grants. She said that for the prior three years, the grants review panelists had recommended funding, and the Board then approved that funding. She said the grants had been cut an average of 20 percent over and above what the panel had recommended. Ms. Boskoff said that in the grants program she did not anticipate creating more grants but hoped to fund closer to the grant amount that had been recommended by the panelists. She said the Council anticipated increasing the grant awards by at least 10 percent over FY2004 numbers. Ms. Boskoff said E-332 would also allow the Council to expand the reach of cultural programming to schools through the Folklife Education Initiative and to communities through traveling exhibition and Tumblewords Literary programs.

Ms. Boskoff referred the Committee to [Exhibit B](#) for a breakdown of where the \$200,000 would be allocated. She said \$25,000 would go to Arts in Education for 14 new grants through Special Project grants and reinstatement of the Special Project grants designed for educators who then could apply directly for funds to implement programs and projects within the classrooms.

Ms. Boskoff said \$50,000 would be applied to Challenge grants. That category was a three-to-one match of new dollars for the major arts organizations for building projects, stabilization projects, and acquisition of major equipment and collections. She said that had been cut back \$30,000 to accommodate the budget cuts in the last biennium. Ms. Boskoff said that \$30,000 was being replaced and another \$20,000 was added. She said they anticipated two new grants and increased funding. Ms. Boskoff said that for FY2006 there had already been a request for more than \$275,000 in that category.

Ms. Boskoff said that for Community Arts Development, the Council anticipated eight new grants through the Nevada Circuit Riders Program, which provided grants to nonprofit organizations throughout the state to utilize a roster of consultants. She said it was a new initiative that was started with funding from the National Endowment for the Arts.

Ms. Boskoff stated that in the Artist Services Program the Council anticipated 16 new grants through the Artist Fellowship, the Tumblewords Literary programs, and the traveling exhibition programs. She said all the programs were available to view on the Council's website.

Ms. Boskoff said that E-332 included \$5,000 to expand school programs in Clark County through the Folklife Education Initiative.

Ms. Boskoff pointed out in [Exhibit B](#) the program challenges and challenges to serving the public. She said she wanted to comment on Mr. Denis's earlier comments about looking outside for additional funding. She said she had worked in public arts programming for 25 years and she liked to provide public funds for the arts because she believed that was right and appropriate for arts and culture. She said the Council also supported the activities of its nonprofit organizations. In Nevada there were approximately 200 nonprofit arts organizations, and the Council tried not to compete in the private sector for those dollars that were very hard for the nonprofits to raise to keep their artists, dancers, and staff paid. She said the Council worked in partnership with grantees and the other organizations. Ms. Boskoff said the Arts Council did find funding that typically would not be applied for by the grantees and that helped the Council develop new programs and initiatives. On such matters as the Tahoe Cultural Survey, the Council received as much funding as it could from the National Endowment for the Arts and also looked in other places for funding. Ms. Boskoff reiterated that the Council, a state agency, tried not to compete with the grantees for funds leveraged from the private sector.

Assemblywoman Smith commented that the arts community had the best group of advocates that she had ever seen. She said the letters the Committee had received from grantees who had received grants were very good advocacy and it also was nice to see what the artists were doing and that they understood where the funding came from.

Assemblywoman Giunchigliani asked if it was the right time to establish an endowment for funding of grants. Ms. Boskoff stated that in a previous session the Legislature had set up the Cultural Trust to fund a variety of different arts and humanities programs. Ms. Boskoff said she believed a Cultural Trust was very important. She said she could provide the Committee information from cultural trusts across the country that provided funding for libraries and humanities. Ms. Boskoff said those were very important but the direct dollars into the Grants Program was very important as well. She said that depending upon how a cultural trust was designed, there could be a long wait for a corpus to be built up. She said she would provide some information on trusts around the country to the Committee.

Chairman Arberry asked how successful the sale of the special license plates had been. Ms. Boskoff said the plates had been "doing great." She said there were four more plates to be released. Ms. Boskoff said that there had been no marketing dollars spent on the license plates, but approximately 7,000 had been sold. The funds generated, approximately \$50,000 per year, was shared with Very Special Arts Nevada, which was the statewide program serving children and people with disabilities. She said the funds had funded a pre-school program, and approximately \$25,000 had been put into the Arts in Education Program to do a number of initiatives, especially in teacher training to help them work with children, and also with a new program called Youth Reach Nevada. Ms. Boskoff said that program had been funded by new monies from the National Endowment for the Arts and the license plate funds had matched that. Ms. Boskoff said that was one of the budget areas where funds were allowed to "roll over" and they tried not to expend all the funds in the first year. She said the Council's plate was one of the top-three-selling plates.

Chairman Arberry asked about the four new plates that would be released. Mr. Sisco answered that the Special License Plate Commission had finished the

25 plates they were allowed to issue. He said that one of the four remaining plates would be for libraries across the state, but it had not yet been issued.

Assemblyman Seale said that as the former President of the Nevada Museum of Art, he wanted to say that the Council had done a great job over the years. Mr. Seale said that the performance indicators had estimated 2.8 million visitors, but that had "shot up" to 7.4 million visitors and then had gone back down to 2.8 million visitors.

Ms. Boskoff said the workload statistics changed depending upon who came in for a grant in a certain year, what the projects would be, and what they expected to be using the funds for. She said that in FY2004 the Western Folklife Center in Elko and KNPR FM in Las Vegas both created national programs and used their Arbitron ratings to determine who listened. Those figures had been reported to the federal agency. She said the Council kept the projections of participant numbers fairly flat because it was very difficult to project the numbers. Ms. Boskoff said that when the Nevada Museum of Art was closed while the new facility was being built, the number of visitors dropped but it had begun to move back up.

Ms. Giunchigliani asked why the federal funding continued to decrease. Ms. Boskoff said the Council was allowed to apply for one grant, called the Partnership Program, which was a three-year grant. Another component was called Challenge America, and there was also a more competitive part of the Partnership Program grant. She said she did not know how much the Challenge America grant would be until Congress passed it. She said those funds were work programmed and the Council waited to find out what the Challenge America grant was. Ms. Boskoff stated that President Bush had requested a stable budget for the National Endowment for the Arts, although more than \$10 million of Challenge America dollars had been diverted to the Chairman's special projects.

Ms. Giunchigliani commented that the federal funding was unfortunate.

CULTURAL AFFAIRS, MUSEUMS AND HISTORY (101-2941) – CULTURAL-49

Wallace A. Steffan, Ph.D., Administrator, Division of Museums and History, introduced himself. Mr. Steffan said the Division oversaw seven museums in the state: the Nevada Historical Society in Reno, the Nevada State Museum in Carson City, the Nevada State Railroad Museum in Carson City, the Nevada State Museum and Historical Society in Las Vegas, the Boulder City Railroad Museum, the Lost City Museum in Overton, and the East Ely Depot Museum in Ely.

Mr. Steffan said the Division was requesting two positions in the budget, and those positions would be discussed in the discussion of the State Railroad Museum's budget.

Mr. Steffan stated that Enhancement Unit E-900 was a transfer of funds from Budget Account 2979, Nevada Arts Council, to cover costs paid to Cooperative Libraries Automated Network (CLAN) for website and wide area network (WAN) support.

Chairman Arberry asked why the Budget Division recommended that lower level professional supervisors in one division become unclassified but the museum directors in a separate division were recommended to remain classified. Mr. Sisco responded that museum director positions were not recommended to

be made unclassified but the division administrator position previously was unclassified and would remain unclassified. Mr. Sisco said there had been no change in the Division regarding which positions were classified and unclassified.

Assemblywoman Giunchigliani asked why the positions in the Library and Archives' budget were not recommended to be unclassified. Mr. Sisco responded that currently in the Library, the division administrator was a very unique position due to the fact that it was classified for all purposes except for appointment and removal. He said that position was recommended as part of the study to go to unclassified service. Mr. Sisco said there were three assistant administrators, two in the Library and one in the Archives, that would be recommended to go to unclassified positions.

Ms. Giunchigliani said the Committee wanted to review all the recommendations for making positions unclassified because the purpose of the study was to achieve consistency and it seemed to her that there was more inconsistency. She said that perhaps it was appropriate to declassify division administrators but there were some that were unclassified and others that were not.

Mr. Sisco clarified that there were two library assistant administrators, one archives assistant administrator, and four division administrators who would go to unclassified service.

Ms. Giunchigliani restated that the Committee wanted to review the positions to be made unclassified as there might be justification to declassify the top positions, however, possibly not the lower positions.

CULTURAL AFFAIRS, LOST CITY MUSEUM (101-1350) – CULTURAL-53

Mr. Steffan explained that Decision Unit M-425 contained funding for 11 areas of deferred maintenance at the Lost City Museum.

Chairman Arberry asked what the condition of the facility was. Mr. Steffan said the facilities were older, the original facility was adobe, and it had been maintained. He said the external woodwork had not been maintained and it needed to be replaced. Mr. Steffan said the two museum additions needed air handlers and stucco work on the exterior.

Chairman Arberry asked why the number of visitors to the museum continued to be below projected levels, with little or no growth projected during the coming biennium. Mr. Steffan replied that initially after September 11, 2001, attendance at all the museums went down and currently there was quite a competition for the leisure-time dollar. He said that until that turned around it would be difficult to project increases.

CULTURAL AFFAIRS, NEVADA HISTORICAL SOCIETY - (101-2870), CULTURAL-57

Mr. Steffan explained that Decision Unit M-425 contained two areas of deferred maintenance that would provide overhaul of the two heating, ventilating and air conditioning (HVAC) units in both the older section of the building and the addition.

**CULTURAL AFFAIRS, STATE MUSEUM, CARSON CITY – (101-2940),
CULTURAL 61**

Mr. Steffen said Decision Unit M-425 contained 11 areas of deferred maintenance, including balancing and adjusting the HVAC systems, cleaning HVAC coils, replacing an air conditioner in the Indian Hills facility, installing smoke alarms at the Clothing and Textile Center, cleaning carpets, and painting the exterior of the pump house at the Marjorie Russell Clothing and Textile Center.

Chairman Arberry asked why the admission revenues remained flat when attendance was projected to increase during the upcoming biennium. Mr. Steffen responded that the major impact was that an Education Coordinator had been hired the year before, and she had been very aggressive in reaching the local community, both for children and adult education, and those attendance numbers were increasing.

Mr. Sisco added that there was a statutory requirement for the state museums not to charge children for admission, so they had estimated that the Education Coordinator would work with the schools to bring in more children but there would be no additional revenue generated.

Chairman Arberry asked Mr. Sisco to provide information on the number of children and adults visiting the museum. Mr. Steffen said he had those numbers and would provide them to the Legislative Counsel Bureau's Fiscal staff.

Chairman Arberry asked the Department to explain the need for a new Americans with Disabilities Act (ADA) compliant entrance and connecting structure between the main museum building and the museum's north building and whether it would require additional staffing. Mr. Sisco responded that no additional staffing would be required. He said currently two security guards were required at each of the three different entrances, and the connecting structure would create a single entrance so that one security guard could man the entrance and collect the entrance fees while the other guard circulated and monitored the visitors.

Mr. Steffen explained that Enhancement Unit E-713 provided for replacement of the current snow removal equipment, as it was over 20 years old. He said the museum also removed snow from other off-site locations and the old equipment would be replaced with a riding snowblower.

Mr. Steffen said Enhancement Unit E-715 included funding for one replacement vehicle to replace four older vehicles. He said there would be a savings in insurance and the new van would serve the same purpose as the four older vehicles.

Mr. Steffen stated that Enhancement Unit E-716 would replace wooden shelving at the Indian Hills Curatorial Center with metal shelving. The new shelves would meet professional standards for care and access.

**CULTURAL AFFAIRS, MUSEUM & HISTORICAL SOCIETY (101-2943) –
CULTURAL-67**

Mr. Steffan said that Maintenance Unit M-425 included repair to the stucco on the building. He said there had been breaks in the surface and the stucco needed to be replaced.

Chairman Arberry asked what the plans were for the utilization of the current museum at Lorenzi Park. Mr. Sisco said the Department anticipated renovating the museum at Lorenzi Park and using it for records retention in the Southern Nevada Records Center. There would be a very small museum as that was required in order to retain the lease. He said the Las Vegas Arts Council would be moved to that building and there would be a Las Vegas presence for the State Historic Preservation Office. Mr. Sisco said the library for the blind and physically handicapped would also be housed there. It had been moved several times and it was difficult for people to find it.

Chairman Arberry asked why it was estimated that attendance by adults would decline but attendance by school children would increase during the coming biennium. Mr. Steffan said the Division was focusing on serving children, as were most museums in the country. He said the children were the future adult audience of the museums, and it served the mission of the museum, which was to provide informal education. Mr. Steffan said the admission was projected to remain flat because there was intense competition for the leisure dollar, especially in Las Vegas. He said that without extensive marketing it would be very difficult to draw the visitor or local community.

Mr. Sisco said there had been some successes throughout the Division in using a Curator of Education in order to draw more children and families into the museums. He said that it would not have any bearing on the attendance revenues because the revenues tended to remain flat even though the attendance numbers increased.

Mark Stevens, Assembly Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau, explained that in the performance indicators the admission revenues remained flat throughout the biennium. He said total attendance projections went from 22,100 in FY2004 to 25,000 in FY2006, down to 18,000 in FY2007. School children actually went up 300 individuals over that period of time. Mr. Stevens said it appeared that in the first year of the biennium there would be an increase and in the second year of the biennium there would be a decrease, but admission revenues would remain flat.

Mr. Sisco said he would look at the projections and report back to the Fiscal Division. He said it might just be an error or it might reflect that the Division was planning a downward trend because of the vacancy caused by the move into the new museum in FY2007.

**CULTURAL AFFAIRS, STATE RAILROAD MUSEUMS (101-4216) –
CULTURAL-71**

Mr. Sisco said Budget Account 101-4216 combined the budget accounts for all three railroad museums: the State Railroad Museum in Carson City, the East Ely Railroad Depot Museum, and the Boulder City Railroad Museum.

Mr. Sisco said that Maintenance Unit M-425 included funding for window repairs and window coverings in Carson City, and in East Ely for work on the

building envelope, replacement flooring, electrical system upgrade, and repairs to sagging floors.

Mr. Sisco said Enhancement Unit E-251 would be used to restore two positions and associated train ride operating costs that were cut as a result of the 2003 budget crisis. He said the Boulder City Railroad Museum took a long time in the development phase. The Division had planned to do a loop track extension into the Henderson Valley and back out. He said the Department of Transportation put the Division on notice that it was going to construct a Boulder City Bypass, which would allow the Division to reopen tracks that were already available. Mr. Sisco said the \$5 million to \$6 million project that had been needed for the loop track extension was set aside awaiting the Boulder City Bypass. Mr. Sisco said that currently the train was operated up to Railroad Pass Casino and back, a 45-minute ride approximately. Because it was a shorter ride than it would eventually be when it could go to Henderson Valley, there had not been the same volume of ticket sales as expected. He said that two positions had been cut but, because the train was currently running, the Division was asking that the two positions be restored in order to safely operate the train. Mr. Sisco said that the train was operated mostly with volunteers but the positions were still needed to coordinate the volunteers, the receipt of the admission monies, and internal controls. Mr. Sisco said if the two positions were restored, there would still only be four paid staff positions in the facility. Mr. Sisco said the enhancement unit would also allow authority for payment of fuel costs.

Chairman Arberry asked Mr. Sisco how he anticipated the positions would be funded. Mr. Sisco stated that he understood a budget adjustment might be proposed by the Governor's Office. He said that the Division had recommended the position be funded 50 percent from the General Fund and 50 percent from train ride fees the first year, and 25 percent General Fund and 75 percent train ride fees the second year. He said the budget had been developed in June 2004, and when it was done he thought the numbers would work. Since that time, the train had run from July 2004 to December 2004, and the numbers did not work. He said he believed the Budget Office was considering the Division's request to send an adjustment to change the funding to 75 percent General Fund the first year and 50 percent the second year. He said it was the Division's intent to eventually wean the museum off the General Fund but if the train ride program was not started correctly it would never make it, and there were safety issues that had to be dealt with.

Chairman Arberry directed a comment at the Budget Office. He said the Committee could not wait indefinitely for adjustments to be presented as the Legislature was only in session for 120 days and there were only 112 days remaining. He said he did not plan on being in special session in June and July 2005, attempting to make the budget balance. Chairman Arberry stated that he was putting all the agencies and the Governor's Office on notice that the Committee might not be "accepting all this because we are going to cut it off."

Mr. Sisco stated that he took the blame. It was his enthusiasm to meet a commitment he had made to the Legislature that the Boulder City facility would someday be self-sufficient. He said the figures had been calculated in a very optimistic manner and after six months of operating the train, the Division realized that the safety of the riders had to be put first. Mr. Sisco said he hoped that if the adjustment was coming it would come quickly and the Committee would consider it.

Chairman Arberry asked Mr. Sisco not to take it personally but the Committee would have to cut off late submissions in order to get the budget balanced.

Mr. Sisco added that he had provided information on capital improvements in [Exhibit B](#). He said he appreciated the Committee's time and he submitted [Exhibit D](#), State of Nevada Department of Cultural Affairs Biennial Report 2003-2004, and [Exhibit E](#), Oasis 2005 Conference schedule.

Chairman Arberry submitted for the record [Exhibit F](#), a letter dated February 18, 2005, from Candy Schneider, Board Chairman, Nevada Arts Council, in support of The Executive Budget.

Mr. Sisco added that the Division was required to report on the museum's dedicated trust fund and that report was included in [Exhibit B](#).

Mr. Stevens advised the Committee on the schedule for the next day.

There being no further business, the meeting was adjourned at 10:31 a.m.

RESPECTFULLY SUBMITTED:

Lila Clark
Committee Attaché

APPROVED BY:

Assemblyman Morse Arberry Jr., Chairman

DATE: _____

<u>EXHIBITS</u>				
Committee Name: <u>Assembly Committee on Ways & Means</u>				
Date: <u>February 21, 2005</u> Time of Meeting: <u>8 a.m.</u>				
Bill #	Exhibit ID	Witness	Dept.	Description
	B	Scott K. Sisco	Cultural Affairs	State of Nevada Department of Cultural Affairs Budget Presentation to the 2005 Legislature, State Fiscal Years 2006 and 2007
	C	Scott K. Sisco	Cultural Affairs	Poster entitled "the great state of Nevada."
	D	Scott K. Sisco	Cultural Affairs	State of Nevada Department of Cultural Affairs Biennial Report 2003-2004
	E	Scott K. Sisco	Cultural Affairs	Oasis 2005 Conference schedule
	F	Chairman Arberry	Cultural Affairs	Letter dated February 18, 2005 from Candy Schneider, Board Chairman, Board of the Nevada Arts Council