

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

**Seventy-Third Session
March 7, 2005**

The Committee on Ways and Means was called to order at 8:07 a.m., on Monday, March 7, 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

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Susan Cherpeski, Committee Secretary
Carol Thomsen, Committee Secretary

Assembly Bill 26: Revises provisions relating to management and operation of veterans' homes. (BDR 37-271)

Charles W. Fulkerson, Executive Director, Office of Veterans Services, addressed the Committee and pointed out that lines 33, 34, and 35 on page 3 of Assembly Bill 26 had been deleted, as those lines were redundant, and that provision was already included in lines 19 and 20 on page 2. He said he had discussed the bill with the Legislative Counsel Bureau (LCB) Legal staff and the revisions were merely "housecleaning."

Chairman Arberry remarked that A.B. 26 would allow the executive director of Veterans Services to increase rates to be charged for occupancy of rooms at veterans homes, and he asked what would prevent the executive director from going "hog wild" and increasing rates to a level that veterans would have difficulty paying.

Mr. Fulkerson said it was his intention to ensure a viable nursing home that served the care of veterans while staying within the budget. He noted that Section 2 of A.B. 26 contained direction on what the executive director should

consider before establishing rates. Mr. Fulkerson said that if the Committee felt there was a need for an oversight committee, he would welcome the help.

Chairman Arberry opined that there should be a sounding board for any changes. Mr. Fulkerson interjected that he used the Nevada Veterans Services Commission as a sounding board as directed in line 38 on page 3 of the bill.

Chairman Arberry asked what role the Interim Finance Committee had in oversight of Veterans Services. Mr. Fulkerson reminded the Committee that he had gone to the Interim Finance Committee before the previous rate increase.

Chairman Arberry asked if there was any further testimony on Assembly Bill 26. There being none, he declared the hearing closed and called for the next item on the agenda.

Assembly Bill 96: Makes appropriations to restore balances in Stale Claims Account, Emergency Account and Reserve for Statutory Contingency Account. (BDR S-1202)

Andrew Clinger, Deputy Director, Budget Division, explained that Assembly Bill 96 made appropriations to restore the balances in the Stale Claims Account, the Emergency Account, and the reserve for the Statutory Contingency Account. He indicated that he had provided a handout ([Exhibit B](#)) to the Committee. The handout detailed the historical funding of the Stale Claims Account and the account expenditures made between 2003 and 2005. He noted that the 2003 Legislature had appropriated \$2.5 million in the previous session to fund the account through the current biennium. In addition, the Budget Division had asked for and received allocations from the Interim Finance Committee's contingency fund in 2004.

Mr. Clinger pointed out that there had been an appropriation of \$1.6 million relating to a claim from the Distributive School Account for the Nevada Early Literacy Program, the Regional Professional Development Program, and remedial education. Claims of that size were an unusual occurrence.

Mr. Clinger directed the Committee to the third page of [Exhibit B](#), and said the FY2005 balance in the Stale Claims Account was \$433,695.61, and it was projected that the account would be out of funds by the end of March. He explained that the Stale Claims Account allowed the Budget Division to pay claims from prior years for General Fund agencies. At the end of each year, agencies reverted their unused balance of General Funds back to the General Fund, so the account would be funded for those claims in the future. In order for a claim to be paid, an agency had to have reverted enough to cover that claim. He indicated that those claims were tracked through the Budget Division.

Assemblyman Seale clarified that the stale claims were essentially old accounts payable. Mr. Clinger indicated that was correct.

Mr. Clinger noted that the current balance in the Emergency Account was \$58,000, and Section 1.2 of A.B. 96 appropriated an additional \$500,000 to restore the balance in that account. The final account in Section 1.3 of the bill appropriated \$3 million to restore the balance in the Statutory Contingency Account.

Mr. Clinger directed the Committee to page 4 of [Exhibit B](#), which showed revenues and expenditures of the Statutory Contingency Account for FY2003, FY2004, and FY2005. The expenditures were listed by statutory type, and

pages 5, 6, and 7 of [Exhibit B](#) outlined the pertinent statutes that required payment from the account.

Mr. Seale inquired why the claims were not known until after the end of the fiscal year. Mr. Clinger explained that agencies received invoices after the close of the year due to errors or late submissions.

Assembly Bill 97: Makes appropriation to Account for the Governor's Portrait to provide money for preparation and framing of portrait of Governor Kenny C. Guinn. (BDR S-1207)

Mr. Clinger said that Assembly Bill 97 made an appropriation to the Governor's Portrait Account in the sum of \$20,000. It was an appropriation made pursuant to *Nevada Revised Statutes* (NRS) 223.121, which stated that the Legislative Commission might, upon election of each new governor, enter into a contract with an artist for the purpose of procuring a portrait of the governor for display in the Capitol Building.

Assemblywoman Giunchigliani pointed out that the last time an appropriation had been made for that purpose it had been less than \$10,000. She asked how the projected cost of \$20,000 had been determined. Mr. Clinger said that the last appropriation made to the Governor's Portrait Account had been made in FY1997 for \$10,000, and the portrait had cost the full amount. He opined that a \$20,000 appropriation eight years later was a reasonable amount. Ms. Giunchigliani asked if bids would be solicited, and Mr. Clinger indicated that was correct.

Assembly Bill 100: Makes appropriation to Department of Administration for allocation to Opportunity Village. (BDR S-1212)

Ed Guthrie, Executive Director, Opportunity Village, presented Assembly Bill 100 and distributed [Exhibit C](#) to the Committee. He said that Opportunity Village was the largest community training center in the state of Nevada and provided jobs and day training services to over 550 people with severe intellectual disabilities. Last year, Opportunity Village paid approximately \$1.75 million in wages to people who were usually considered unemployable. The workers with disabilities served over 1 million meals to the airmen and women at Nellis Air Force Base; cleaned over 3 million square feet of offices and parking lots for government agencies and commercial businesses; shredded 7 tons of confidential documents per day for banks, casinos, the Internal Revenue Service, and many other agencies; packaged over 3 million units of in-room coffee service for Harrah's hotels and casinos; and provided mailing services for the Las Vegas Convention and Visitors Authority and the Southern Nevada Water Authority.

Mr. Guthrie said Opportunity Village was experiencing difficulties due to growth. Opportunity Village was serving an average of 65 to 100 new people every year; many of those individuals wanted community employment, but at least 50 percent wanted facility-based services. He said that the previous week, the Opportunity Village Board of Directors had asked his staff to move as the office space was needed to serve additional people for the next two years.

Mr. Guthrie explained that during the upcoming two-year period, Opportunity Village planned to develop a third campus at the intersection of Buffalo and Patrick in the southwest section of the Las Vegas valley. The campus would provide a 50,000-plus-square-foot work center, an adapted recreation center and gym, a behavior analysis and clinic treatment program, and an

administrative office building. An agreement had been reached with Clark County for a lease/donation of 10.9 acres of land, currently valued at over \$3 million. The land would be leased until the work center was built, after which the county agreed to donate the land to Opportunity Village.

Mr. Guthrie said that Opportunity Village had also submitted a grant request to the Donald W. Reynolds Foundation for over \$19 million to fund the construction of the work center and the administrative office building, and to establish various endowments to maintain the campus. The Donald W. Reynolds Foundation grants provided for everything except off-site costs. He noted that the \$1 million appropriation provided in The Executive Budget would assist Opportunity Village with off-site costs, such as constructing the streets, sewers, and bringing utilities to the site. The \$1 million appropriation would leverage \$19 million of private investment and allow Opportunity Village to serve an additional 250 individuals.

Assemblyman Hettrick verified that the request was a one-shot appropriation.

Ms. Giunchigliani asked why the Legislature should provide funds to Opportunity Village when funds were not being provided to other training centers. Mr. Guthrie stated simply that Opportunity Village had asked for funding, while other community training centers had not.

Mr. Denis asked if Opportunity Village would be receiving Community Development Block Grants. Mr. Guthrie explained that Opportunity Village had already received approximately \$300,000 in Community Development Block Grant funds from the county for architectural planning of the project. That money had already been encumbered, and there were no more Community Development Block Grant funds projected.

Chairman Arberry closed the hearing on A.B. 100.

Assembly Bill 101: Makes appropriation to Department of Administration for allocation to Nevada Commission for National and Community Service. (BDR S-1213)

Shawn R. Lecker-Pomaville, Executive Director, Nevada Commission for National & Community Service, Inc. (NCNCS), presented Assembly Bill 101 to the Committee and introduced Andrew Heilman, Communications Coordination, NCNCS. Ms. Lecker-Pomaville provided Exhibit D and Exhibit E to the Committee, and thanked the Committee for its steadfast support and utilization of service as a strategy to meet Nevada's unmet needs since 1998.

Ms. Lecker-Pomaville explained that the NCNCS, or AmeriCorps, was often referred to as the domestic Peace Corps, and NCNCS service was used as a strategy throughout Nevada to address needs in education, public safety, the environment, and human services. The mission of the NCNCS was to strengthen Nevada through AmeriCorps, and volunteerism in general. The NCNCS was a nonprofit organization dedicated to inspiring the state's residents to engage in community-based service in several ways:

- Securing federal funds for diverse state programs
- Administering programs to maximize funding
- Training AmeriCorps members to serve the programs
- Developing new programs, such as the Governor's Points of Light Program, to inspire more residents to become involved in their communities

Ms. Lecker-Pomaville noted that [Exhibit E](#) outlined the seven AmeriCorps programs and where those programs were located throughout the state.

Ms. Lecker-Pomaville stated that AmeriCorps worked; it was a results-based program that increased the civic engagement of Nevada's citizens; it was cost-effective by impacting critical unmet needs in Nevada's communities; and it changed lives through service.

Ms. Lecker-Pomaville said that the NCNCS was requesting \$360,000 during the biennium, and for that money, the NCNCS would receive approximately \$1.6 million per year in federal AmeriCorps program funds ([Exhibit D](#)). The return on the state's investment was good: \$9 in federal funds for every \$1 in state funds, and over \$12 when the value of education awards was included.

Ms. Lecker-Pomaville stated that AmeriCorps' members made a commitment to serve their communities in places such as family resource centers in Elko or homeless veterans programs in Clark County. The volunteers were on the street or in the desert trying to reach the homeless and bring them in and provide services. She explained that the volunteers received a small living allowance, and upon successful completion of the program, received an education award to use in college. The volunteers also recruited other volunteers; in the past year, 110 volunteers had recruited approximately 3,300 additional volunteers, which meant the return on the state's investment was approximately \$15 for every \$1 spent.

Ms. Lecker-Pomaville added that currently 158 AmeriCorps members were serving throughout the state in half of Nevada's counties. The members had the potential to earn education awards in the amount of \$500,000, and most of that money would be spent at Nevada universities. She said that those 110 members had impacted the lives of over 76,000 Nevadans.

Ms. Lecker-Pomaville pointed out that NCNCS was a nonprofit organization and held fund-raisers; the average annual income from fund-raising was approximately \$50,000, and program administration was only 17 percent of the total budget. The AmeriCorps program had gradually increased throughout the state to serve unmet needs. She concluded her remarks by stating that "service as a strategy works, is cost-effective, and changes lives."

Chairman Arberry questioned how the request amount of \$365,000 had been determined. Ms. Lecker-Pomaville explained that was the operating cost match; the federal government provided \$182,000 per year in federal funds to operate NCNCS grant programs. The request would secure the federal funds over the biennium.

Chairman Arberry asked how the NCNCS would be affected if federal funds were cut. Ms. Lecker-Pomaville indicated that the budget already included extra money to meet the match, and she said an evaluation of the AmeriCorps programs was currently being performed.

Assemblyman Denis noted that the NCNCS worked with the Boys and Girls Clubs of Las Vegas and he asked which clubs that included. Ms. Lecker-Pomaville responded that the Boys and Girls Clubs wrote the program and assigned the members to those areas most in need, so there were not members serving every club; rather, there were members serving six of those clubs. Mr. Denis inquired as to the specific clubs, and Ms. Lecker-Pomaville said the clubs would be in those areas deemed "higher risk," where the children had lower

reading scores, but she indicated that she would provide more details to the Committee.

Mr. Seale noted that appropriations had been requested in the past, and he asked how much had been requested. Ms. Lecker-Pomaville said the same amount had been requested in the previous two sessions, although less had been requested in 1999.

Assemblywoman Leslie asked if it was a required match and noted that in the 2003 Legislative Session the appropriation had been overlooked, and the appropriation had to be put back in during the special session. She asked if the state was in jeopardy of losing the whole program if the appropriation request was not approved. Ms. Lecker-Pomaville indicated that was correct and emphasized that without the appropriation, the NCNCS would not receive the federal funds. She explained that the NCNCS was required by the U.S. Congress to be established by Executive Order and then was required to match, dollar for dollar, the federal funding. Without the \$365,000 from the state, the AmeriCorps program would be eliminated in Nevada.

Ms. Leslie asked why the request had been made as a one-shot appropriation rather than included in the budget, and Ms. Lecker-Pomaville said she would like to find an appropriate place to include it in the budget, but NCNCS was a nonprofit organization and was not funded through any state agency. She noted that the AmeriCorps program had received bipartisan support from every president since its inception. President George W. Bush, despite making cuts in other programs, had not cut funding for AmeriCorps and had indicated that his commitment to national service was strong. Ms. Leslie clarified that the NCNCS received funding directly from the Budget Division, as it was not included in any state agency budget. Ms. Lecker-Pomaville indicated that was correct.

Assemblyman Hogan noted that [Exhibit D](#) indicated there were 110 members active during the 2003/2004 time period, but there were also references to 158 members. The handout also referred to "members" and "volunteers." He requested clarification of the numbers and terms. Ms. Lecker-Pomaville explained that an AmeriCorps member swore an oath to serve his community for a year. There were 110 members in FY2004, and that number had grown to 158 in FY2005.

Mr. Hogan asked if the NCNCS hoped to increase its program and add more members. Ms. Lecker-Pomaville explained that Nevada competed for funds. Nevada received an appropriation of \$600,000 but historically had received approximately \$1.6 million, which meant the NCNCS was successful in competing on a national level for that additional \$1 million. She said as long as the NCNCS remained competitive and had quality programs, it would continue to grow. She noted that the program review committee had set a goal of expanding one program in the next year. She emphasized that it was an open competition for funds every year.

Assemblywoman McClain asked if the NCNCS was successful in recruiting members and if there were any challenges in getting agencies to utilize them. Ms. Lecker-Pomaville explained that the challenge was in getting quality nonprofit organization applications for the AmeriCorps program. The NCNCS provided an average of \$120,000 in funding to seven agencies throughout the state, and those agencies then recruited AmeriCorps members. She emphasized that the NCNCS AmeriCorps program was separate and distinct from the Volunteers in Service to America (VISTA) program and was funded separately.

She added that recruitment was going well, and approximately 80 percent of AmeriCorps members successfully completed their one-year term of service.

As there were no further questions or remarks, Chairman Arberry declared the hearing on Assembly Bill 101 closed.

Assembly Bill 105: Makes appropriation to State Department of Agriculture for acquisition of equipment for State Sealer of Weights and Measures. (BDR S-1223)

Rick Gimlin, Deputy Director, Department of Agriculture, introduced Steven Grabski, Administrator, Division of Measurement Standards, and presented Assembly Bill 105. He said that A.B. 105 would provide an appropriation to replace equipment that the Division used to perform its job. He referred the Committee to Exhibit F, which provided additional detail as to how the appropriation of \$290,000 would be spent. The money would be used to replace three pieces of large equipment: a medium-duty truck, a trailer-mounted Liquid Petroleum Gas (LPG) prover, and a heavy-duty truck.

Chairman Arberry noted that the Division was partially funded through the General Fund and fees, and he asked why the appropriation was a General Fund request rather than being part General Fund and part fee revenue.

Mr. Gimlin explained that the Division received a partial General Fund appropriation as well as fee revenue. One of the fees generated was the Petroleum Inspection Fee, which generated approximately \$600,000 annually. However, those funds went into the General Fund and then the Division received a percentage, usually about \$60,000, of those funds back. He opined that it would be appropriate to request a greater percentage of that fee revenue to replace equipment.

Mr. Seale asked why the request had not been included in the budget for the Division, and Mr. Gimlin replied that the request was large enough that the Budget Division felt it met the requirements for a one-shot appropriation. He emphasized that it was not a request made every session.

Chairman Arberry pointed out that the Division received revenue from other fees as well and inquired as to why that fee revenue could not be used to fund the replacement of equipment. Mr. Gimlin said the Division received fees from the registration of public weigh masters and for device licensing. Those fees had been evaluated four years earlier and were due to be reevaluated. He claimed that raising enough funds to replace the equipment through fees would require the fees to be increased by approximately 50 percent, which had not been an option.

Chairman Arberry asked why raising the fees had not been considered an option, and Mr. Gimlin said the Division had proposed increasing the fee rates, but had not been allowed to do so.

Mr. Denis questioned the replacement schedule for equipment, and Mr. Gimlin said the Division followed a ten-year replacement schedule for large trucks. He said the Division tried to make the best use of its equipment, and while the trucks were still usable, the maintenance costs were becoming prohibitive.

Mr. Denis noted that Exhibit F mentioned the possibility of transferring the heavy-duty truck to Elko. Mr. Gimlin explained that the truck could be used for

light duty in Elko without incurring excessive maintenance costs, but its current usage could not continue.

Chairman Arberry asked if there was any further testimony. There being none, he declared the hearing on Assembly Bill 105 closed.

Assembly Bill 106: Makes appropriation to State Department of Conservation and Natural Resources. (BDR S-1224)

Allen Biaggi, Director, Department of Conservation and Natural Resources, introduced Rex R. Reed, Administrative Services Officer IV, Department of Conservation and Natural Resources, and indicated that he had provided a copy of his testimony and supporting documentation ([Exhibit G](#)) to the Committee. He read the following:

Assembly Bill 106 provides for an appropriation to the Department for occupation of its new office building in Carson City, replenishment of the account for channel clearance, and covers litigation costs for the Division of Water Resources.

The first item contained in the bill would pay for costs associated with the move to our new office building located just south of here on Stewart Street. This building will consolidate the majority of the Department into a single location. Currently, we are located in seven different addresses throughout Carson City. The building is the first constructed for the state under the lease/purchase concept.

As you are aware, concrete and steel prices have risen dramatically in the last few years, not only here in Nevada, but also nationwide. As a result, costs for the structure have increased as well.

The building was designed to house staff, not files. Consequently, in order to maximize staff space, the building was designed for high-density file systems. These systems were removed in order to cover the construction costs of the building.

The total cost of the file storage systems is \$462,077. I have included a breakdown of these costs in your handout ([Exhibit G](#)).

The second item is for \$250,000 to replenish the Channel Clearance Fund. This fund is authorized by NRS [*Nevada Revised Statutes*] 532.230, which I have provided to you ([Exhibit G](#)), and is to aid local governments in the clearance and restoration of navigable rivers. These funds are critically important to ensure navigable waterways are kept free of debris to avoid flood damage. The current balance in the account is \$39,007.64.

Finally, \$150,000 is requested to supplement the Department's litigation fund. As you are aware, the State of Nevada, along with a number of other parties, is involved in litigation related to water use in the Walker River and Walker Lake. By mutual agreement, all of the parties are participating in mediation in an attempt to resolve these disputes. Recently, the parties agreed to continue mediation for a maximum of 12 more months. In the event these negotiations fail, we will be back in court and will incur significant

legal expenses. As a side note, currently in the litigation fund there is \$50,820 in unobligated funds.

Thank you for your consideration on these requests. I would be pleased to answer any questions you may have.

Mr. Hogan asked if the litigation funds were paid to attorneys employed by the State of Nevada or contract attorneys. Mr. Biaggi indicated that the funds would be used to support the Office of the Attorney General in litigation expenses for the case. The Department would not hire outside counsel.

Assemblyman Marvel reminded Mr. Biaggi to consider purchasing furniture from Prison Industries. Mr. Biaggi commented that the Department often purchased furniture from Prison Industries.

Bob Milz, Lyon County Commissioner, and Chairman, Carson Water Subconservancy District, spoke in support of A.B. 106 and said the \$250,000 appropriation for channel clearance was needed as a match to obtain additional funds for the conservation districts to work on the river.

Ed James, General Manager, Carson Water Subconservancy District, wished to reiterate the comments made by Mr. Milz and voice support for A.B. 106. He explained that the Carson Water Subconservancy District did regional planning for the Carson River. The district had been established by the Legislature in 1989 and had grown to include several counties, including Alpine County in California. He pointed out that the state claimed ownership of the Carson River riverbed, and the district worked closely with the state to protect habitats along the river.

Mr. James said that clearing the channels was very important and the conservation districts worked hard to ensure the river was flowing correctly. He said the district provided part of the funding, but without the match from the state it would be virtually impossible to obtain the funding to do the work and the maintenance that needed to be done. He noted that there were three conservation districts in the watershed and they worked together to ensure the health of the river.

Dan Kaffer, representing the United States Department of Agriculture, Natural Resources Conservation Service, spoke in support of A.B. 106 and said his federal agency had a number of grant programs and worked with private landowners, ranchers and farmers, and the State of Nevada to do restoration and conservation work on Nevada's navigable streams and rivers. He pointed out that the fund was available for projects on any body of water deemed a navigable river such as the Virgin River, the Colorado River, the Carson River, the Walker River, the Truckee River, and the shores of Lake Tahoe. He said the Natural Resources Conservation Service provided funding for federal matches, as well as worked with local communities in private funding efforts to restore river systems and improve water quality. The service worked on the Carson, Truckee, and Walker Rivers doing restoration projects and utilizing the funds. He emphasized that the state funding was critical to receiving federal funding.

Kevin Piper, representing the Dayton Valley Conservation District, voiced his support of A.B. 106, and explained that the Dayton Valley Conservation District was one of the three conservation districts working along the Carson River. He said he would like to emphasize four points regarding the clearance, maintenance, restoration, and the surveying and monumenting program through the Division of Water Resources.

Mr. Piper said the first point was cooperation and collaboration. Since 1997 cooperation and collaboration between private land owners and local, state, and federal agencies had improved dramatically with regard to the program. The second point was funding. The 50 percent match the program funded had enabled the Conservation District to complete approximately eleven projects from 1997 to 2002 for a total cost of approximately \$605,000. Of that total amount, the program had been able to fund \$245,000, and those funds were matched at a rate of 1.5 to 1.

Mr. Piper continued and said the third point was that the projects that had been completed since 1998 had seen improvements to riparian vegetation establishment, reductions in rates of erosion, wildlife habitat improvements, and water quality improvements. The fourth point was that the work had generated a sense of ownership. He said that, through the work that had been completed, the local community had established a good working relationship with the Division of Water Resources and the State Engineer's Office. The work had also created a greater sense of ownership within the community in regard to managing the resource of the Carson River within our community.

Mr. Piper noted that approximately 35 miles of the Carson River was contained in Lyon County. He emphasized that between 1997 and 2002, a five-year period, the districts had utilized \$245,822 of the funds, which had been matched with approximately \$360,000.

Paul Pugsley, representing the Carson Valley Conservation District, spoke in support of A.B. 106, and informed the Committee that, as watershed coordinator on the upper Carson River, he was responsible for the Carson River in Douglas County and Carson City. He said the fund request for channel clearance was critical. Due to the last several years of drought conditions in the river, there were now large gravel sandbars that had formed and established willow colonies on the gravel bars in the middle of the river. He indicated that if there was a high water flow, the sandbars and willows would interfere with the flow of the river.

Mr. Pugsley emphasized that it was critical to remove the willow colonies and gravel sandbars to prevent those problems. He commented that it was interesting that he spent much of his time trying to grow willows and now he would be trying to remove those willows.

Chairman Arberry declared the hearing on Assembly Bill 106 closed and opened the hearing on Assembly Bill 129.

Assembly Bill 129: Makes appropriation to Division of State Library and Archives of the Department of Cultural Affairs for grants to local libraries for library collections. (BDR S-1113)

Assemblyman Mo Denis, District No. 28, Clark County, presented Assembly Bill 129 and related how, as a new assemblyman, he had thought about what he had wanted to accomplish by serving in the Legislature, and there were two things about which he felt passionate: libraries and schools. He said he wanted to explain library service and how A.B. 129 could positively impact the lives of Nevadans. He introduced Diane Brigham, Director, Lyon County Library System, and Thomas F. Fay, Executive Director, Henderson District Public Libraries. Assembly Bill 129 would appropriate approximately \$1.2 million for books. Mr. Denis emphasized that the money would not be used for administrative costs or any other costs, just the cost of books.

Mr. Denis indicated that the Committee had received a booklet entitled, "Nevada Public Libraries Collection Development Grants: Reports from Participants, Fiscal Years 2002 & 2003 ([Exhibit H](#))." He explained that the \$1.2 million was the same amount that had been allocated to libraries two sessions earlier and the booklet detailed how each library had used the money.

Mr. Denis said his children loved to read and used library services often. At any given time, he estimated there were 40 or 50 library books in his house, and he thought that libraries were a valuable resource.

Thomas F. Fay, Executive Director, Henderson District Public Libraries, spoke in support of [Assembly Bill 129](#) and directed the Committee's attention to [Exhibit I](#), a map detailing funding distribution. He emphasized that the funds were distributed among all the libraries in the state. The funding made a substantial difference: tens of thousands of books and materials could be purchased and then spread throughout the entire state. He pointed out that the libraries in Nevada worked very well together; regardless of where a library card was issued, it could be used in any other library in Nevada. There were also interlibrary loan procedures that allowed citizens of different communities to obtain materials from another community library. He emphasized that the state distribution of the funding meant all Nevadans benefited.

Mr. Fay spoke about issues in the Henderson library system, and said that the funding received in 2001 had been critical to the success of the Paseo Verde Library opened in 2002. The funding had been used to create the opening day collection and there were over 3,000 people in attendance on opening day. It was the largest and busiest library in the Henderson area. He informed the Committee that there were issues: Henderson was below the national average in books per capita, with 1.2 books per capita versus the national 2.0 books per capita. Progress was being made, but it was a slow process and the funding was crucial to that endeavor. He said the library collection turned over approximately four times per year, and there had been a 95 percent increase of checkouts of library materials in the last four years.

Mr. Fay emphasized that the funding would be critical to success in the future, especially as there were more and more initiatives to keep children reading at grade level, which libraries throughout the state worked on every day.

Diane Brigham, Director, Lyon County Library System, addressed the Committee in support of [Assembly Bill 129](#) and said she would be providing examples of what the collection funding had meant to some of the rural libraries in the state. She read the following statement ([Exhibit J](#)):

When I started working in the Lyon County Library System four years ago, our five branch libraries did not have any DVDs nor any audio books on CD; we had a very limited collection of books on tape, most of which were at our central library. With the funding from the last round of collection development money approved by the Legislature in 2001, we were able to start basic collections of books on CD, improve our reference collections, and add to our Nevada books at all five branches.

During the past year, materials circulation has increased 17 percent, and library user traffic has grown by almost 19 percent in Lyon County. Because most new library users are employed, and commute to and from work, audio materials circulation has

risen dramatically. One county employee commuting between Yerington and Fallon every day said the audio books he checks out from Central Branch Library in Yerington keep him sane and therefore safe. We got a lot of miles out of the last state grant for library collections.

Before working in Lyon County, I worked for two years in the Amargosa Valley Library District in southern Nevada. Collection development money provided desperately needed materials to the rapidly growing numbers of Hispanic residents in Amargosa Valley who use Spanish as their primary language. These materials not only offer literature in their native language, but ESL (English as a Second Language) materials so essential to social inclusion and productivity in their new English-speaking community.

Last week I called my friend Jean Adams, the current library director for Amargosa Valley, and found that they have re-established a contract with the neighboring K-8 school to provide library services for the school. While this contract enables the library to have another part-time employee, it doesn't finance more books or other materials. Jean told me that without the collection grant money from the state, they were unable to purchase up-to-date reference and other non-fiction books needed by schoolchildren for reports. Whether it is books, audio books, videos, or electronic resources, all are used by libraries to help with education and information literacy.

Most of our Nevada libraries are funded well below the national average of \$4.19 per capita for materials. In Lyon County, we spent about \$2.00 per capita. Funding from the state grant over the four cycles from 1995 to 2001 added about \$0.50 per capita in Lyon County. That has a significant impact on what we can purchase. It has given us the ability to purchase needed materials in any format.

Please help us provide better, more complete opportunities for lifelong learning with funding for library collections.

Assemblywoman Giunchigliani pointed out that when the grant had been started it had not been intended as an ongoing program. The issue was whether or not collections development was a state responsibility or a local responsibility. She asked how many libraries were in an autonomous district, funding-wise.

Sara F. Jones, State Librarian, Division Administrator, Department of Cultural Affairs, Nevada State Library and Archives, responded to Ms. Giunchigliani's question and explained that there were different types of libraries: city libraries, such as the library in the City of North Las Vegas; district libraries, such as the Las Vegas Clark County Library District, the Henderson District Public Library, the Boulder City Library, and the Lincoln, Nye, and Esmeralda district libraries; and county libraries.

Ms. Giunchigliani asked what the reason was for the different types, and Ms. Jones said it depended on the tax base, which was based on the health and prosperity of the local economy. She noted that in Clark County there were some healthy taxing districts, while in smaller counties, like Lincoln, Nye, and Esmeralda, the tax base did not support basic services very well.

Ms. Giunchigliani asked if there was a possibility of forming a rural, autonomous library district. Ms. Jones commented that districting was an option to address funding needs, but it would not solve the problem of a lack of a tax base in small counties.

Ms. Giunchigliani agreed that would not be a solution with a limited tax base, but it was similar to how school construction in rural counties was funded. She said it was important to explore options. She asked how library cards were obtained.

Ms. Jones explained that a library card was available to any Nevada resident, and residency could be proved by a driver's license, a water or electricity bill, a rent receipt, and so forth. She stated that Nevada was one of the few states in the nation that allowed a library card from any community in Nevada to be used at any other public library in Nevada.

Ms. Giunchigliani remarked that was a commendable tradition, and asked if North Las Vegas was an exception to that rule. Ms. Jones explained that North Las Vegas was unique in that the city appointed the library board and could even appoint themselves as the library board, which was the current situation. Policy decisions regarding the library were then made in accordance with the city charter.

Ms. Giunchigliani asked if North Las Vegas could form a district rather than a city library and in so doing capitalize on taxation. Ms. Jones explained that there was district taxation in North Las Vegas, but the city's property revenues were not as high as other areas of Clark County. She pointed out that North Las Vegas was building a new library, the Aliante Library.

Ms. Jones referred to Ms. Giunchigliani's earlier comment on the original intent of the funding, and pointed out that it was quite common for states to provide aid to public libraries; there were very few states that did not provide some funding. She added that as State Librarian, she received federal funding, and she needed the maintenance of effort to receive federal funds. For many years the amount of federal money had remained static, but recently there had been increases. She said she was in danger of losing federal funding if state aid did not increase.

Ms. Giunchigliani requested additional detail regarding the federal funding. Ms. Jones said the congressional appropriation from the federal budget appeared to be approximately \$1.8 million, and the state was required to match every \$2 in federal funds with \$1 in state funds.

Ms. Giunchigliani indicated that additional information should be provided to the subcommittee when it reviewed the Nevada State Library and Archives budget accounts.

Ms. Jones agreed and added that she had provided [Exhibit K](#), which outlined the library collection development funding history and the basic formula for distribution throughout the state. She emphasized that the formula was equitable and worked well for both the smallest and the largest libraries in the state. The funding made a profound difference in what could be provided to the public. She noted that \$1.2 million had been received previously, but the full amount was not spent as some of the funds were called back by the Governor's Office.

Kimberly J. McDonald, MPA, Special Projects Analyst & Lead Lobbyist, City Manager's Office, City of North Las Vegas, voiced her support of Assembly Bill 129 and said the North Las Vegas Library District director could not be present but she spoke on his behalf in support of the bill. She said the grant funds that had been appropriated previously had augmented library collections in North Las Vegas, and were particularly important as the city began construction on the new Aliante Library.

Chairman Arberry asked if there were any further comments; there being none, he declared the hearing on Assembly Bill 129 closed. He acknowledged the presence of former Nevada State Assemblyman Jack Close in the audience.

As there was no further business, the meeting was adjourned at 9:12 a.m.

RESPECTFULLY SUBMITTED:

Susan Cherpeski
Committee Attaché

APPROVED BY:

Assemblyman Morse Arberry Jr., Chairman

DATE: _____

<u>EXHIBITS</u>				
Committee Name: <u>Ways and Means</u>				
Date: <u>March 7, 2005</u> Time of Meeting: <u>8:00 a.m.</u>				
Bill #	Exhibit ID	Witness	Dept.	Description
	A			Agenda
	B	Andrew Clinger	Budget Division	State Claims Account Spreadsheet (7 pages)
	C	Ed Guthrie	Oppor- tunity Village	Opportunity Village handout (4 pages)
	D	Shawn Lecker-Pomaville	NCNCS	Description of program (1 page)
	E	Shawn Lecker-Pomaville	NCNCS	2003-04 Program Results (4 pages)
	F	Rick Gimlin	Dept. of Agriculture	A.B. 105 Summary (1 page)
	G	Allen Biaggi	DCNR	Testimony and Statistics (6 pages)
	H	Assemblyman Mo Denis		Nevada Public Libraries booklet
	I	Thomas Fay	Hender- son District Public Libraries	Nevada State Library and Archives funding map (1 page)
	J	Diane Brigham	Lyon County Library System	Testimony (1 page)
	K	Sara Jones	State Librarian	Library Collection Development Funding History (2 pages)