

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

**Seventy-Fourth Session  
February 26, 2007**

The Committee on Ways and Means was called to order by Chair Morse Arberry Jr. at 8:08 a.m., on Monday, February 26, 2007, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/74th/committees/](http://www.leg.state.nv.us/74th/committees/). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Morse Arberry Jr., Chair  
Assemblywoman Sheila Leslie, Vice Chair  
Assemblywoman Barbara E. Buckley  
Assemblyman Mo Denis  
Assemblywoman Heidi S. Gansert  
Assemblyman Tom Grady  
Assemblyman Joseph P. (Joe) Hardy  
Assemblyman Joseph Hogan  
Assemblywoman Ellen Koivisto  
Assemblyman John W. Marvel  
Assemblywoman Kathy McClain  
Assemblyman David R. Parks  
Assemblywoman Debbie Smith  
Assemblywoman Valerie E. Weber

**STAFF MEMBERS PRESENT:**

Mark W. Stevens, Assembly Fiscal Analyst  
Steve Abba, Principal Deputy Fiscal Analyst  
Julie Diggins, Program Analyst  
Christine Bashaw, Committee Secretary  
Patti Adams, Committee Assistant

Morris Arberry Jr., Chairman stated the Committee would hear the budgets for the Department of Cultural Affairs.

Michael Fischer, Director, Department of Cultural Affairs, provided the Committee with [Exhibit C](#) which was the 2005–2006 biennial report, [Exhibit D](#) which was the budget presentation and [Exhibit E](#) which was the Public Libraries Collection Development Grant Program. Mr. Fischer referred the Committee to [Exhibit D](#) which showed some of the major undertakings for the 2007-09 biennium. These included:



- Staffing and operations of the Nevada State Museum and Historical Society in Las Vegas at the Las Vegas Springs Preserve.
- Completing the Americans with Disabilities Act (ADA) connecting structure at the Nevada State Museum.
- Staffing and operating the new Cultural Affairs Resource Center at the former Lorenzi Park Museum building for the Las Vegas and Clark County region.

Mr. Fischer requested permission to show a short video which included information about the Nevada State Museum and Historical Society in Las Vegas and would be presented in an educational format. Vice Chairwoman Leslie granted permission.

At the completion of the video, Mr. Fischer thanked the Committee and commented the video explained the undertaking better than he could. Mr. Fischer continued that each Division Administrator would present enhancement units for his Budget Account (BA). The Department of Cultural Affairs received less than half of one percent of the overall General Fund, and with these funds, agencies of the Department provided beneficial services for the citizens of Nevada. Mr. Fischer also referred to a chart in [Exhibit D](#) that showed full-time equivalent (FTE) positions for last fiscal year and the upcoming biennium.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**CULTURAL AFFAIRS ADMINISTRATION (101-2892)**  
**BUDGET PAGE CULTURAL AFFAIRS-1**

Michael Fischer, Director, Department of Cultural Affairs, stated one enhancement decision unit [E805] was the position reclassification supported by personnel and outlined in the exhibit. He continued with the one-shot appropriation which included computer replacement equipment.

Vice Chairwoman Leslie stated the question the Committee had concerned the visitor attendance in fiscal year (FY) 2006. There were 16.7 percent fewer visitors than projected, and Vice Chairwoman Leslie asked whether Mr. Fischer had an action plan to increase visitor attendance. Mr. Fischer agreed attendance numbers were down and noted there was marketing money within the Commission on Tourism budget and within two Department accounts to improve attendance. Mr. Fischer felt that attendance was down because museums need to be like the one in Las Vegas, which is interactive and fits into the desire and needs of a younger generation. Vice Chairwoman Leslie noted the Nevada Historical Society in Reno had the worst performance with attendance down 28.6 percent from projections and questioned whether there was marketing money for the three museums where the attendance percentage compared to projections was lowest. Mr. Fischer called on Scott Sisco, Deputy Director, to respond. Mr. Sisco stated the Department was able to work out an arrangement with the Tourism Commission where there was approximately \$160,000 in FY 2008 and \$155,000 in FY 2009 recommended for a marketing program on behalf of the Department of Cultural Affairs. Vice Chairwoman Leslie wondered whether there was a specific plan for the three museums that had the largest percentage decreases from projected amounts. Mr. Sisco replied there was no specific plan for those three, but in the back of [Exhibit D](#), there was a museum marketing proposal. Vice Chairwoman Leslie stated the attendance shortfalls meant that more general fund support was needed and asked whether Mr. Sisco had an estimate of that amount. Mr. Sisco did not have the estimate in hand, but he would be able to get the amount for the Committee.

Assemblyman Hogan asked whether the decline was a result of fewer visits from schools or a reduction in tourists because the solution would differ depending on which factor contributed the most to the decline in attendance. The school situation might require better communication rather than an expensive advertising campaign to lure tourists. Mr. Sisco replied the attendance shortfall was due to both causes. He pointed out that less school attendance does not affect the revenue because state law does not allow schools to be charged, but it does affect the overall attendance numbers. School attendance was down for two reasons: the shortage of money to pay for drivers, fuel, and other operating costs of buses; and increased "no child left behind" preparation. The Department was trying to accommodate schools through a program where trunks filled with artifacts and teaching materials were sent to the schools. The department was trying to mitigate the tourism problem through the use of brochures that were put into the casinos. However, that was difficult because the gaming industry had little interest in having customers leave the gaming facilities.

Assemblywoman Weber questioned whether the Cultural Affairs Department had a link through the Tourism website, and Mr. Fischer answered that there was such a link. Ms. Weber questioned whether Cultural Affairs had space on the hotels in-house advertising channel. Mr. Fischer replied the Department did not but would look into it. Mr. Fischer said he would like to see more outreach to make facilitations for tourists and school children to attend. The Las Vegas Springs Preserve site offers something memorable for visitors and children in the state of Nevada.

Assemblyman Joseph Hardy asked whether the Department partnered with the Chambers of Commerce. Mr. Fischer did not know the answer but planned through the outreach program to expand such efforts throughout the State.

Assemblyman John Marvel wanted to congratulate this Department for complying with the auditor's findings.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**NEVADA HUMANITIES (101-2894)**  
**BUDGET PAGE CULTURAL AFFAIRS-6**

Vice Chairwoman Leslie opened the hearing on BA 2894 and stated there were no major issues with this account and pointed out that the one-shot funding had been changed to an ongoing appropriation, and this funding was continued in BA 2894.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**MUSEUMS & HISTORY (101-2941)**  
**BUDGET PAGE CULTURAL AFFAIRS-8**

Vice Chairwoman Leslie opened the hearing on BA 2941 and stated the major issue with this budget was the one-shot appropriation which included purchasing the antique Liberty Belle slot machine collection. The Committee questioned how the price of the collection was determined. Michael Fischer, Director, Department of Cultural Affairs introduced Peter Barton, Acting Administrator, Division of Museums and History, to answer the question. Mr. Barton stated there were 29 slot machines in this collection, and an appraisal of 25 machines in May 2006 determined a probable market value of \$549,000. When the additional four machines were added, the appraised value exceeded \$600,000. Mr. Barton continued that the collection was on loan to

the state of Nevada through June 30, 2007. Vice Chairwoman Leslie questioned where the collection was located, and Mr. Barton answered it was at the Nevada State Museum in the old mint building.

Assemblywoman Buckley had an opportunity to see the collection and remarked it was quite valuable and would be wonderful to preserve Nevada's history. Ms. Buckley questioned whether the Legislature would consider giving a challenge grant in the amount of \$100,000, and noted that Senator Raggio had mentioned that some of the gaming companies might want to contribute. Ms. Buckley questioned if this approach was used, would the Division be successful with that type of challenge? Mr. Barton stated the Division was talking to appropriate private sector entities to see whether there was interest, but the deadline was June 30. Mr. Barton's concern was if the effort failed, the collection could be returned to the owners. Mr. Barton believed the owners of the collection would allow it to remain on exhibit longer. Mr. Fischer added the Division had started working on proposals that could be taken to gaming companies.

Assemblyman Hardy questioned whether the state of Nevada was getting a good deal on the collection because it was a donation to a museum and could be a tax write-off. Mr. Fischer believed that more money could be made by the owners if the collection were sold directly; however, the owners had a desire to have the collection stay intact and in Nevada. He continued that the collection was not offered in the original Liberty Belle sale. Vice Chairwoman Leslie agreed with Ms. Buckley and Senator Raggio concerning the casino industry matching funds.

Vice Chairwoman Leslie understood the recommendations from the Legislative audit would be fully implemented within this current fiscal year. Mr. Barton replied the Division was on-target to fully implement all recommendations by November 30.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**LOST CITY MUSEUM (101-1350)**  
**BUDGET PAGE CULTURAL AFFAIRS-13**

Vice Chairwoman Leslie opened the hearing on BA 1350 and stated there were no major issues with this budget, but wanted someone to discuss ongoing adobe replacements and maintenance, with a budget of \$15,000 each year of the biennium. Peter Barton, Acting Administrator, Division of Museums and History, replied the adobe repair was comparable to painting the Golden Gate Bridge, a continuous project. The Division had a partnership with the National Park Service to get professionals in adobe repair to work at Lost City for one week a year as contractors.

Assemblywoman McClain asked what the jobs consisted of for the seven positions at Lost City Museum. Mr. Barton said there were store personnel, administrative employees, and museum attendants. Lost City had been successful in bringing school tours and through its outreach program. Ms. McClain stated she had 62 signatures for a Nevada Veterans Museum and had been trying to find positions that could be transferred rather than having to budget for new positions.

Assemblyman Marvel asked whether it was hard to recruit museum positions for Lost City. Mr. Fischer found recruiting for any position difficult. Mr. Marvel asked whether there was a high turnover rate. Mr. Fischer deferred to Mr. Barton, who said the workforce within the Division was very stable.

Assemblyman Hardy stated the Lost City Museum was in his district, and there were a lot of visitors to the museum which overlapped with the Valley of Fire State Park and St. Thomas Ghost Town

Vice Chairwoman Leslie questioned whether the deferred maintenance was scheduled to be completed by June 30, and Mr. Barton answered that the Division was on target.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**NEVADA HISTORICAL SOCIETY (101-2870)**  
**BUDGET PAGE CULTURAL AFFAIRS-17**

Vice Chairwoman Leslie opened the hearing on BA 2870 and questioned the supplemental appropriation of \$2,786 and the reason for the unanticipated utilities shortfall. In Fiscal Year (FY) 2006, there was a transfer from the Museums and History Trust Fund to fund a similar shortage, and Vice Chairwoman Leslie questioned whether the trust fund money could be used again to fund the shortfall. Peter Barton, Acting Administrator, Division of Museums and History, confirmed the shortfall would be approximately \$2,786 for utilities and would be updated as budgets are closed. He continued that last fiscal year the Museums and History Trust Fund covered the utility shortfall when statutory contingency funds were unavailable. Mr. Barton stated the interest from the trust fund was earmarked for Division programs, and this year most of the funds were obligated to a short-term marketing program for the seven museums. The Division was trying to stop the decline in visitation by contracting to have brochure racks located across the State. Vice Chairwoman Leslie asked whether Mr. Barton was stating that the Division would rather use the trust fund for marketing as opposed to utilities. Mr. Barton explained that was the plan for this year. Vice Chairwoman Leslie questioned why utilities were consistently under-budgeted in this account. Mr. Barton stated there were actually two accounts where utilities were under-budgeted, this account and the State Museum [BA 2940], and these agencies have higher utility costs than anticipated. Vice Chairwoman Leslie asked whether Mr. Barton was confident the new budget had the correct amount. Scott Sisco, Deputy Director, answered that the utilities budget did not have an inflationary factor built in, so he was not confident in the amount. Vice Chairwoman Leslie commented it would be hard to manage a budget if you knew it was going to be under-budgeted, and she wondered whether the Division had worked with the power company on weatherization. Mr. Sisco answered the Division had not for the Historical Society, which underwent a remodel in 1989, but had with the State Museum in Carson City and saw a fairly substantial decrease in utility costs.

Vice Chairwoman Leslie asked whether the maintenance project would affect visitor access to the building, and Mr. Barton responded it would not.

Vice Chairwoman Leslie indicated she had visited the Historical Society in Reno, and it was one of the few places at the university that had available parking. She believed the marketing campaigns should let people know parking was available. Michael Fischer, Director, Department of Cultural Affairs, communicated that one of the things needing change was the perception there was no parking available.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**STATE MUSEUM, CARSON CITY (101-2940)**  
**BUDGET PAGE CULTURAL AFFAIRS-22**

Vice Chairwoman Leslie opened the hearing on BA 2940 and remarked there was another supplemental appropriation of \$9,925 for utilities, which had already been addressed. She then asked for the current status of the project to construct an entrance to comply with American's with Disabilities Act (ADA) and a connecting structure funded by the 2005 Capital Improvement Program (CIP). Peter Barton, Acting Administrator, Division of Museums and History, responded that when bids were opened, the project came in at \$4.2 million. In conjunction with the State Public Works Board, the cost estimates had been updated, and the project could go to bid in September 2007. The likely result would be bids just under \$4.9 million, which leaves an estimated shortfall of \$2.9 million. Mr. Barton explained that when the project was bid, the three main components of the structure,—concrete, glass, and steel—were commodities which had seen inflation over the last couple of years. Then, Hurricane Katrina wiped out the availability of glass and steel. Mr. Barton continued that Public Works had the project number one on its priority list of CIP projects.

Vice Chairwoman Leslie referred to Enhancement Unit E250 and the additional funds needed for heating, ventilating, and air conditioning (HVAC) maintenance. Mr. Barton responded the maintenance was covered in the CIP request, and the Division was working with Budget Division staff to reduce the E250 by that amount.

Assemblywoman Weber referred to the page in [Exhibit D](#) which listed performance indicators and questioned the drop in attendance projections for the next biennium. Mr. Barton explained the projected reduction was due to proposed construction, and the projections used the actual attendance numbers for fiscal year 2006. Ms. Weber asked for the projected completion date, and Mr. Barton replied, assuming the project was bid in September 2007, construction would be completed within 12 to 14 months of that date.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**MUSEUM & HISTORICAL SOCIETY - LV (101-2943)**  
**BUDGET PAGE CULTURAL AFFAIRS-28**

Vice Chairwoman Leslie opened the hearing on BA 2943 and commented that the major issues were the 12 new positions and the operating costs for the new Las Vegas Springs Preserve facility and questioned whether the project was underway. Peter Barton, Acting Administrator, Division of Museums and History, revealed that preliminary grading had begun in preparation for construction, and the Division was waiting on building permits expected within the next 30 days. He reported there would be approximately 16 months of construction and would still be within the target opening date of July 2008. Vice Chairwoman Leslie questioned whether the staffing request matched the target date, and Mr. Barton replied that it did. Mr. Barton continued, by noting the increased staff for the new facility was due to the increased operating hours and the larger size of the museum compared to the Lorenzi Park facility. Mr. Barton commented that most of the new staff would be assisting the public, including the:

- Museum attendants
- Administrative assistants

- Curator of education
- Exhibit preparator
- Public information officer

Vice Chairwoman Leslie asked whether existing staff from Lorenzi Park were being transferred. Mr. Barton answered that all the staff would be transferred, but some work would continue at Lorenzi Park a few hours per week to maintain exhibits and clean facilities. He noted that the lease with the City of Las Vegas required that a museum component be maintained at Lorenzi Park.

Vice Chairwoman Leslie questioned whether there had ever been a grants and project analyst position in this budget. Scott Sisco, Deputy Director, stated no, but noted there were many grant opportunities available for museums, art agencies, and libraries. Mr. Sisco felt the Springs Preserve facility had the potential to turn around the declining attendance and be an example for other Division facilities. He said it should only take a couple of years to tell whether the grant analyst position would be productive and pay for itself. Vice Chairwoman Leslie inquired whether the grant analyst position was focused only on Springs Preserve or would the position look for grants throughout the Division. Mr. Sisco noted this particular position would focus on the Las Vegas museum but could coordinate some grant opportunities within the Division. Vice Chairwoman Leslie asked to see more analysis on the grants and project analyst position.

Assemblyman Parks was concerned about the future usage of the Lorenzi Park facility and asked why Lorenzi Park would be used once the new facility was complete. Michael Fischer, Director, Department of Cultural Affairs, stated his Department had always been underrepresented in the Clark County and Las Vegas areas and the Lorenzi Park facility would provide an opportunity to deal with rental space issues. According to the lease, a museum component must be maintained in Lorenzi Park. Mr. Barton referred to a conceptual plan for the Department of Cultural Affairs Resource Center which included space for records storage, the Nevada Arts Council, and the State Historic Preservation Office, as well as exhibit space for Museums & History and the Arts Council.

Assemblywoman McClain questioned whether museum staff was at the Springs Preserve, and Mr. Barton replied there was currently no staff there, but the construction partner, the Las Vegas Valley Water District, had staff there and was providing project management services. He noted that museum staff were finishing exhibit designs, getting artifacts in order, finishing text writing and content development for the new exhibits, in addition to planning the physical move of the museum. Ms. McClain assumed that when the museum opened it would be staffed with state employees, and Mr. Barton responded that was correct, but there was a partnership with the Springs Preserve Foundation which would provide custodial, landscaping, and security services for the museum.

Ms. McClain asked staff about the general obligation bond money used for the Springs Preserve Museum construction and whether the bond money could be increased rather than General Fund money used to make up the funding shortfall. Mark Stevens, Assembly Fiscal Analyst, said the bonds for the Springs Preserve project were approved by the voters through the passage of Question 1 (Q1) in 2002; as a result, there was a fixed amount of money available from those bonds. Mr. Stevens said that other general obligation bonds, cash, or some other funding mechanism could be used to finance the completion of the project. The budget recommendation was that the State use General Fund money to make up the funding difference between the cost to

construct the facility and the money available through Q1 bonds. Ms. McClain was concerned about the use of General Fund money and asked why there was no alternative source for the \$11.5 million shortfall. Mr. Stevens pointed out the Capital Improvement Program (CIP) Subcommittee would be reviewing an alternative funding source, but a viable alternative might not be available within the timeframe required.

Mr. Sisco indicated that Mr. Stevens was correct. The Division was concerned that, if the project did not proceed, the project would experience over \$300,000 per month in increased costs. Mr. Sisco said, if the Subcommittee chose not to provide the additional money, the building would be mothballed, but noted the building to be completed was a big part of the complex. Mr. Sisco elaborated that it was difficult to raise money for museums in Nevada, because the primary industry in Nevada, unlike those in other states, seemed uninterested in being a benefactor for museums. Ms. McClain questioned what the \$11.5 million would increase to by June 2008, and Mr. Sisco said it would still be \$11.5 million as inflation was included in that amount. The project costs included all the inflation up until July 2008. Mr. Sisco checked with the contractor, and the contractor was very confident the additional funds would take the museum to its opening. Vice Chairwoman Leslie remarked this would be discussed in the CIP Subcommittee.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**STATE RAILROAD MUSEUMS (101-4216)**  
**BUDGET PAGE CULTURAL AFFAIRS-33**

Vice Chairwoman Leslie opened the hearing on BA 4216 and asked about the project status of the McKeen Motor Car restoration project and wanted assurance the one-shot appropriation would be sufficient to complete the project. Scott Sisco, Deputy Director, clarified that at the Interim Finance Committee (IFC) there was a commitment to fund another \$120,000, or the donor could take the car back. Vice Chairwoman Leslie asked whether the \$120,000 was sufficient. Peter Barton, Acting Administrator, Division of Museums and History, replied that the McKeen Motor Car project was monitored on a weekly basis and offered his assurance that not all of the \$120,000 would be needed. There had been significant donations, and the project was approximately 12 months ahead of schedule. Mr. Sisco noted, although less money might be needed, the Amodei/Erdoes Agreement called for \$120,000 so that amount needs to be appropriated. Vice Chairwoman Leslie continued there would be a bill coming forward because this was a one-shot appropriation.

Vice Chairwoman Leslie continued with the Carson City and Ely Railroad Museum Building maintenance construction and stated, in the last biennium, the projects were funded with a transfer from room tax of approximately \$600,000. Mr. Barton replied this was correct and was done with Commission on Tourism money. Vice Chairwoman Leslie questioned the possibility of doing that again, and Mr. Barton stated he was not sure, but Tourism might agree.

Vice Chairwoman Leslie asked Mr. Barton to talk about the Boulder City Railroad Museum marketing plans. He replied the projects were studied, and the business plan was revised when it was recognized that the train ride would best succeed on a two-day per week schedule. Using some limited marketing money to advertise, the train rides at Boulder City received a good response. Mr. Barton said business was up 27 percent as a result of the advertising, so he was convinced there needed to be regular advertising in this market.



Assemblywoman Buckley noted that the Santa train was a big hit with the children.

Assemblywoman Weber commented that when visitors entered airport terminals brochures were displayed and questioned whether the Division had advertising space in those airport areas. Michael Fischer, Director, Department of Cultural Affairs, replied the Department used to participate at no cost, but now the space that contained the brochures was required to be purchased.

Assemblyman Hardy questioned whether there was a breakdown by zip code of the visitors to the museum and whether there were discussions concerning a plan for the neglected train cars onsite to convert some into museum properties and create exhibits supporting veterans. Mr. Barton responded to the first question by noting that advertising, which included a coupon, was being provided in Henderson and Summerlin and was being tracked to compare the two areas.

Mr. Barton continued with the second question regarding utilizing the train cars and said he was aware the cars were in bad condition. There were a couple of initiatives underway. He said a model railroad group from Boulder City area had adopted a couple of the cars: one car was being restored and would display interpretive exhibits and be open to visitors. Mr. Barton continued that one of the challenges faced with historic railroad equipment was that it generally does not meet American Disabilities Act (ADA) requirements making it unsuitable for the general public because of lack of access. Staff and volunteers had restored several pieces of equipment for display and contracted to have a shed-steel roof installed adjacent to the passenger boarding area to create a focal point for some of the restored pieces and enhance the museum beyond just a train ride.

Assemblyman Denis questioned whether the Division had worked with the school districts and whether it advertised in the Hispanic community. Mr. Denis commented that the number one news channel in Nevada was a Hispanic channel in Las Vegas. Mr. Barton stated at the State Museum in Carson City, the education curator had targeted out-reach to the Hispanic community but the Division had not yet done so in Boulder City because of the limited staff of two individuals. Mr. Barton said a new administrative assistant was hired who would help market the museum. He added there had been some success at the Boulder City Railroad Museum in bringing in school classes.

Assemblyman Hogan commented it seemed many visitors to Nevada might be interested in balancing daytime activities that provide cultural value, historical interest, or nature diversions with evening activities in the casinos. Mr. Hogan visualized a brochure that had a series of captivating loop-tours for visitors who arrived and rented a car, which combined interesting attractions along Lake Mead, for example, with a route to follow.

Mr. Barton concluded and referenced reports contained in [Exhibit D](#) on dedicated trust funds, and as required by Nevada Revised Statutes (NRS) 381.0033. The report contains information through December 31, 2006, and includes projections on how funds would be utilized through the upcoming biennium.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**STATE HISTORIC PRESERVATION OFFICE (101-4205)**  
**BUDGET PAGE CULTURAL AFFAIRS-38**

Vice Chairwoman Leslie opened the hearing on BA 4205 and stated that there were no major issues with this budget. She asked whether Ronald James, State Historic Preservation Officer, would like to comment. Mr. James thanked the Committee for its past support and the reauthorization of the Commission for Cultural Affairs. He noted the East Ely Railroad complex was listed as a National Historic Landmark, the seventh National Historic Landmark in the State. Mr. James revealed there had been a delay in Washington DC in getting western landmarks listed, but he had worked closely with his Washington counterparts and they were interested in the McKeen Motor Car when its restoration was complete. The McKeen Motor Car would be the first piece of railroad equipment to be listed individually as a National Historic Landmark.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**COMSTOCK HISTORIC DISTRICT (101-5030)**  
**BUDGET PAGE CULTURAL AFFAIRS-43**

Vice Chairwoman Leslie opened the hearing on BA 5030 and stated there was an expanded narrative in [Exhibit D](#) but there were no major budgetary issues.

Ronald James, State Historic Preservation Officer, commented this account reflected changes as a result of a new facility, the Comstock History Center in Virginia City. The Comstock History Center now houses Engine 18 and an exhibit dedicated to the archeology of the Comstock saloons.

Assemblyman Tom Grady was pleased to announce that Lyon County had funded the rebuilding of the old school in the Comstock area, which burned down two and a half years ago. There had been an ongoing battle between the county and the insurance company, but the county had chosen to go ahead and rebuild the school in its historical style.

Vice Chairwoman Leslie announced it was Scout Government Day, and scouts would be coming to observe the Committee meeting.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**NEVADA STATE LIBRARY (101-2891)**  
**BUDGET PAGE CULTURAL AFFAIRS-47**

Vice Chairwoman Leslie opened the hearing on BA 2891 and revealed the budget issues included supplemental and one-shot appropriations.

Vice Chairwoman Leslie wanted to discuss the requested supplemental appropriation of approximately \$58,000 to cover funding shortages, which was previously covered by vacancy savings. She asked whether the Division would be relying on vacancy savings again. Guy Rocha, Interim Administrator for Archives and Records, said he had been in the position just five weeks and deferred to Scott Sisco, Deputy Director. Mr. Sisco said there had been a sizeable vacancy savings and an error in the budget closing last biennium that attributed too much federal funds to non-federal positions. As a result, the Division was able to cover the shortage in 2006 because of the vacancies. Mr. Sisco disclosed that now there was almost a zero vacancy rate, so vacancy savings could not be used for the funding shortage. Vice Chairwoman Leslie noted there was a state librarian position to be filled so there would be some

savings, and Mr. Sisco replied that vacancy provided two months of vacancy savings. Vice Chairwoman Leslie wanted to make sure the right amounts were budgeted so that the Division did not rely on vacancy savings to fund its regular costs. Mr. Sisco elaborated that by the time the one-shot and supplemental appropriations bills would be heard, there should be final adjustments to the utility cost and the salary shortfalls. Vice Chairwoman Leslie advised the divisions to be prepared when the two appropriations bills come before the Committee.

Vice Chairwoman Leslie welcomed the Boy Scouts and explained the Committee was talking about budgets and library books.

Vice Chairwoman Leslie indicated she thought the recommended one-shot appropriation of \$1.2 million the Committee funded last time, through Assembly Bill No. 580 of the 73rd Legislative Session, stated that these costs could not be part of the base budget. Mr. Sisco explained most of the one-shot items come with language that states it was one-time appropriation only. As far as building the \$1.2 million into the base budget, had the expenditure cap not been in place, it was one of the Division's highest priority items to become part of the base budget, according to Mr. Sisco. Vice Chairwoman Leslie said staff had reminded her that the Committee wanted the \$1.2 million to be part of the base, but the Senate added an amendment in 2005 which stated the funding would have to come back as a decision unit.

In response to a question from Vice Chairwoman Leslie, Mr. Rocha said without the \$1.2 million appropriation, the Division would not meet the federal maintenance of effort requirement. Mr. Rocha said the one-shot approach was acceptable, and there was a bill draft request (BDR) for the \$1.2 million. Mr. Sisco confirmed that all one-shots were combined in a single BDR.

Assemblyman Denis remembered the bill from last time, and how important it was to get this money in the base budget so it would not have to be dealt with every two years. Mr. Denis reminded the Committee this money goes for books and other materials, not administration, and would encourage the Committee to do whatever was necessary to get this money into the base budget.

Vice Chairwoman Leslie questioned whether there was information about the bookmobiles being used in rural Nevada. Mr. Rocha referred to Decision Unit E329, which provided increases in operating costs, and explained there were no statewide reports on bookmobile usage, although the respective jurisdictions might generate their own numbers. Vice Chairwoman Leslie requested a report on bookmobile usage and more justification on the enhancement. She noted some inflation was built into this budget, but wondered whether the amount was adequate. Mr. Rocha replied that it was.

Vice Chairwoman Leslie recalled there were eight recommendations from the audit that were accepted and implemented, and Mr. Rocha agreed.

Assemblyman Grady questioned whether Virginia City was provided bookmobile services, and Mr. Rocha did not think so. Vice Chairwoman Leslie advised Mr. Grady that the bookmobile in Virginia City was through the Early Intervention Program.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**ARCHIVES AND RECORDS (101-1052)**  
**BUDGET PAGE CULTURAL AFFAIRS-54**

Vice Chairwoman Leslie opened the hearing on BA 1052 and asked for someone to address the one-shot appropriation for the Record Center Box Tracking System, and Teri Mark, State Records Manager, was called on to answer. Vice Chairwoman Leslie asked how the \$14,000 in financial benefits could be realized and Ms. Mark answered the savings would be realized by saving staff time. Vice Chairwoman Leslie communicated this was not a savings but a diversion of staff time, and Ms. Mark agreed.

Vice Chairwoman Leslie asked, when the Division issued the Request for Information (RFI) for the box tracking system, was there a range of vendor costs. Ms. Mark replied there were programs found ranging from \$13,000 to \$600,000, but considering the criteria and the software needed, a program costing about \$50,000 would suffice. In response to a question from Vice Chairwoman Leslie, Ms. Mark answered that there was no cost estimate for the conversion of existing data because the Access database had been converted seven years ago. Furthermore, considering the length of time and cost of customizing the Access database, Ms. Mark felt an off-the-shelf product would manage records better.

Assemblyman Denis questioned whether the off-the-shelf product was going to be modified to import current data and, once the data was transferred, could changes be made or would that work have to be contracted out. Ms. Mark said that staff was capable to make changes to the data base in the future. Mr. Denis asked the cost of on-going maintenance, and Ms. Mark estimated the cost at roughly \$6,000 per year.

Vice Chairwoman Leslie questioned when the Lorenzi Park remodel would begin and when it would be completed. In response, Mr. Rocha referred to [Exhibit D](#) and Enhancement Decision Unit E225. Mr. Sisco interjected and said construction would begin September 2007, getting public areas completed first so the Arts Council, Library for the Blind and Physically Handicapped, and the other agencies could move in. Major construction would begin July 2008 outside of the visitors view, and in April 2009 records would be brought into the building. Vice Chairwoman Leslie asked whether the timeline was available for review by LCB staff and state agencies which plan to move their records to the facility. Mr. Sisco stated he could provide the timeline, but the records facility was on a first-come, first-served basis, and he anticipated records space to be filled almost immediately. Mr. Rocha added the southern Nevada agencies that had records in the northern records center were contacted first, but the Division had not systematically surveyed agencies. Vice Chairwoman Leslie asked when surveying would start, and Mr. Rocha replied that the survey should start shortly.

Michael Fischer, Director, Department of Cultural Affairs, interjected with an answer to a previous question from the Committee regarding the bookmobile statistics [BA 2891] for Elko, Humboldt, Lincoln, and Washoe counties. He said those bookmobiles circulated 63,722 items and 39,532 customer visits. Vice Chairwoman Leslie replied she was asking for more than a number, rather the Committee wanted an overview of the number of trips to the rural communities, along with the written statistics, and more justification about what budget enhancement would accomplish.

Vice Chairwoman Leslie moved to the four new positions requested under E225 and asked whether those positions supported the Southern Nevada Records Center. Mr. Rocha stated the new staff would also have responsibility in operating the Lorenzi Park facility independent of the records center. The Department of Cultural Affairs would be the lead agency among the consortium of agencies in the Cultural Affairs Resource Center at Lorenzi Park, according to Mr. Rocha. Vice Chairwoman Leslie asked whether there would be a savings in staffing after consolidation. Mr. Sisco responded the building was designed so the records staff, Arts Council staff, and the Library for the Blind and Physically Handicapped staff had offices with half walls, so all staff could help oversee the free museum; however, to run the record center and maintain the building required minimal staffing. Vice Chairwoman Leslie wanted to see an outline on the cost savings. Mr. Sisco replied there was an extensive audit done by the Internal Audits Division of the Executive Branch which discussed the need and included figures for the southern Nevada records center, and he would provide the Committee with a copy of the audit. Vice Chairwoman Leslie restated the Committee wanted to see whether there were cost savings in the north by transferring records to the south and whether the appropriate budget account had been reduced. Mr. Sisco replied he would work with Budget Division. Assemblywoman Smith referred to [Exhibit D](#) and questioned why the workload statistic regarding requests for historical information going from 3,600 to 10,000. Mr. Rocha replied requests had been low because collection growth in the State Archives was down significantly because State agencies were not regularly transferring in records, and there was a shortage of staff. Mr. Rocha continued that the substantial increase in requests and use of the website to obtain information was expected to continue. The website better identified the records to be found, and new clientele used the website more often for requests. Mr. Rocha projected the number of requests would continue to increase.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**NEVADA STATE LIBRARY LITERACY (101-2893)**  
**BUDGET PAGE CULTURAL AFFAIRS-59**

Vice Chairwoman Leslie opened the hearing on BA 2893 and stated the Committee was concerned about the funding cuts from the Department of Education and the Adult Basic Education grant and asked what impact those funding cuts would have on the Adult Basic Education Leadership Training Programs. Mr. Rocha was not able to answer so Vice Chairwoman Leslie stated the impact would have to be reviewed after additional information was received.

Vice Chairwoman Leslie continued and said the Literacy Coordinator had been on an extended leave-of-absence, which was one of the reasons there had been a decline in the performance indicators. The Nevada Literacy Coalition had a five-year strategic plan which was being modified, and Vice Chairwoman Leslie asked for an update. Karen Starr, Assistant Administrator for Library and Archives, stated the Nevada Literacy Coalition came under her purview, and because of the leave-of-absence, the Coalition was understaffed. However, there had been an understanding with the Nevada Department of Education that when the office was completely staffed, the Coalition could reapply for the grant funds that were still available. In the Leadership program, there was a long-range strategic plan where issues would be sorted out and prioritized, according to Ms. Starr. There would be collaboration among literacy providers, including decisions regarding the use of Adult Basic Education (ABE) money that had been allocated to the Northern Nevada Literacy Council, which had the fiscal responsibility for the strategic plan. Ms. Starr said the new Literacy Coordinator was moving forward with the planning process.

Vice Chairwoman Leslie asked when the plan would be completed, and Ms. Starr responded that a working draft of the plan would be completed by June 30, 2007. Vice Chairwoman Leslie wondered, when the plan was in place, would the performance indicators increase and would there be new performance indicators. Ms. Starr reported the Department wanted to identify the appropriate performance indicators for the Literacy Program. Vice Chairwoman Leslie stated the Committee would like to review the plan information, even if it was in draft form.

Vice Chairwoman Leslie closed the hearing on BA 2893 turned the meeting back to Chairman Arberry.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**NEVADA STATE LIBRARY—CLAN (101-2895)**  
**BUDGET PAGE CULTURAL AFFAIRS-63**

Chairman Arberry opened the hearing on BA 2895 and asked what had happened in this account. Guy Rocha, Interim Administrator for Archives and Records, read the following excerpt from [Exhibit D](#):

The Cooperative Libraries Automated Network (CLAN) is a consortium of all types of public, special, academic and school libraries and related agencies that share fundamental library and technological resources including the automated library catalog used by libraries to organize, publish, and check in and out materials to library users. Additionally, the consortium uses group purchasing power for human resources, information databases, software, hardware, and telecommunications including Internet and email services. The cooperative agreement allows CLAN the ability to take advantage of automation and technology by sharing resources and revenues, thus making it economically feasible to do more together than one member could afford to do on their own.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**MICROGRAPHICS AND IMAGING (101-1055)**  
**BUDGET PAGE CULTURAL AFFAIRS-67**

Chairman Arberry opened the hearing on BA 1055 and questioned the insufficient reserve level. Scott Sisco, Deputy Director, confirmed the Department had worked with staff and had developed the budget differently this year. In the past, when the budget was finalized, decision units for fringe benefit changes and Cost-of Livings Allowances (COLA) had artificially increased the revenues coming from microfilming sales and imaging sales. Mr. Sisco continued that this year, reserve balances were reduced to pay for decision units after the budget left the agency-request stage. Mr. Sisco stated the Department had watched the budget closely, and there were three categories within this budget, equipment, computer equipment, and travel, which were not expended unless the funds materialized. Mr. Sisco explained while the reserve looked low, this budget was in balance.

Chairman Arberry questioned whether the recommended reserves provided sufficient cash flow to maintain agency operations. Mr. Sisco answered yes; the reserves had come in higher than anticipated.

Chairman Arberry questioned why many state agencies did not use Micrographic and Imaging services. Mr. Sisco commented this was a difficult situation, some



of the larger agencies were buying their own systems, but this program was critically needed for smaller agencies, because this program provided the only way for smaller agencies to get their records microfilmed and imaged. Assemblywoman McClain stated she had asked some of the larger agencies why Micrographic and Imaging services were not being utilized and thought the Committee should keep this program in mind when other budgets were being closed.

**DEPARTMENT OF CULTURAL AFFAIRS**  
**NEVADA ARTS COUNCIL (101-2979)**  
**BUDGET PAGE CULTURAL AFFAIRS-71**

Chairman Arberry opened the hearing on BA 2979 and Susan Boskoff, Executive Director, Nevada Arts Council (NAC), explained [Exhibit F](#) and said it described the various programs, services, activities, and grants that were available. [Exhibit G](#) reflected a project that was funded by a grant from the national endowment for the arts. [Exhibit H](#) was a copy of the annual report for Fiscal Year 2006.

Chairman Arberry questioned the effect of reduced federal funding, and Ms. Boskoff stated the Council budget remained level with approximately \$403,000 from federal funds budgeted for the next two years. Ms. Boskoff said the Council also made use of special federal one-shot funding through work program changes each fiscal year. Chairman Arberry wanted the Committee to be kept updated on the federal funding issue.

Chairman Arberry referred to the audit conducted by the Legislative Counsel Bureau (LCB), which contained six recommendations, and questioned whether NAE had complied with each of the recommendations. Ms. Boskoff stated the six-month report showed the Division had fully implemented all but one of the six recommendations. The remaining recommendation remained until the end of the FY 2007-08 grant cycle.

Chairman Arberry asked about the new grant procedures for the special license plate fees and whether the process now includes advisory board involvement. Ms. Boskoff stated this was the recommendation that could not be fully implemented until the grant cycle was completed.

Chairman Arberry asked whether the new Account Technician position would enable the agency to fully comply with the audit recommendations, and Ms. Boskoff replied yes. Chairman Arberry proposed and Ms. Boskoff agreed that the agency should work with the Budget Division to identify the adjustments need to accurately reflect the Attorney General and statewide cost allocations.

Assemblywoman McClain noted the Committee was finding in various budgets that when there was a reduction in federal funding, the funds were being replaced with General Fund money. She questioned when this practice should be stopped and the funding for programs reduced. Ms. Boskoff stated the projects that were federally funded were cut back in accordance with funds received, and the projects continued were the ones publicly funded through the legislative process. Ms. McClain disagreed and stated federal funding was decreasing, and General Fund support was increasing. Ms. McClain continued and stated her concern was not with just the Arts Council but with other agencies as well.

Ms. Boskoff commented that the Department was looking forward to creating a cultural center at the Lorenzi Park facility. She said the Arts Council was pleased to join with its sister agencies to make the facility more familiar in Las Vegas.

Chairman Arberry closed the hearing on BA 2979 and thanked Scott Sisco, Deputy Director, for his hard work as Acting Director.

Michael Fischer, Director, Department of Cultural Affairs, thanked the Committee, referred to the [Exhibit D](#) under additional information, and noted his concern that for some time the Department's budgets had been flat with not much money for exhibits. He said if the Department was going to compete, there would have to be funds spent on museums to attract visitors.

Chairman Arberry called upon the general public to testify

David Branson, Vice-President North, Nevada Arts Advocates, referred to [Exhibit I](#) and stated his support of the Nevada Arts Council (NAC) and the great work it does. Through research, the NAC had brought in tax dollars and helped businesses, communities, and young children. Studies showed that through arts education, students do better in school, are less likely to be involved in criminal activity, have higher test scores, and are more involved in the school environment.

Martha Gould, former Director of Washoe County Library, discussed the Collection Development Grant Program ([Exhibit E](#)) and referred to page 35, Appendix A, which showed the formula for the distribution of the Collection Development money. Ms. Gould highlighted the importance of Appendix A in regard to the need for the one-shot appropriations to become part of the base budget for the State Library. She said the money provides the ability to match funds received under the Library, Services and Technology Act and also provides support to the rural public libraries.

Ms. Heather Fuss from Reno read the following statement:

Good morning. My name is Heather Fuss, and I am the program director of the "Holland Project" in Reno. My comments will be brief.

I am here to support the Nevada Arts Council and continued public funding for the arts statewide. I am also here on behalf of the Nevada Alliance for Arts Education.

We hear much today about youth, substance abuse, and other anti-social behaviors. In Reno, we're using the arts to do something about it.

The Holland Project is an ambitious endeavor to transform a warehouse in west Reno into a music and arts venue designed to engage and inspire young people between 13 and 18 to become involved with their community.

We have achieved our 501(c)(3) non-profit status. The Holland vision is four-fold: art access, music access; diverse workshop and learning opportunities, community service and activism. We will provide a safe, smoke and alcohol-free place for the youth of our city. It is widely recognized that young people who were



encouraged to express themselves creatively through arts and culture, and who have outlets to do so, achieve a greater sense of self. They become both empowered and engaged.

These people directly contribute to the health, creativity, and quality of life in our cities. This is why the city of Reno, the business community, and private individuals were investing in our project.

The Holland Project will inspire the future artists of Nevada, and we will eventually be one of the increasing number of organizations that will approach the Nevada Arts Council for funding.

Therefore, I respectfully ask that you recognized the role of the arts in our State and support the grassroots movement, Arts4nevada that will be seeking increased public funding for the arts through the Nevada Arts Council. Thank you.

Mr. Tim Jones read the following statement to the Committee and submitted [Exhibit J](#), the Nevada Arts Council advocacy platform.

Good morning Mr. Chairman and members of the Committee. I am Tim Jones, and it is my honor to be here before you as chairman of the Nevada Arts Council, a nine-person board appointed by the Governor and charged with promoting and advocating for the arts in our State, while overseeing the allocation of public funds statewide.

On behalf of the board of directors, I am submitting our advocacy platform in writing, which summarizes the benefits of a strong arts and culture industry in Nevada and supports an increasing in public funding for the arts through the grassroots effort called arts4nevada. Thank you.

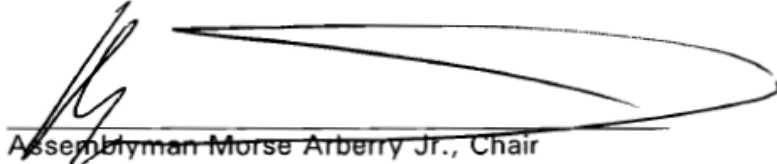
Chairman Arberry adjourned the meeting at 10:37.

RESPECTFULLY SUBMITTED:

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Christine Bashaw  
Committee Secretary

APPROVED BY:



Assemblyman Morse Arberry Jr., Chair

DATE: \_\_\_\_\_

<u>EXHIBITS</u>			
<b>Committee Name:</b> <u>Committee on Ways and Means</u>			
<b>Date:</b> <u>February 26, 2007</u> <b>Time of Meeting:</b> <u>8:08 a.m.</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Sign-In Sheet
	C	Michael Fischer, Department of Cultural Affairs	Biennial Report 2005-2006
	D	Michael Fischer, Department of Cultural Affairs	Budget Presentation 2008-2009
	E	Michael Fischer, Department of Cultural Affairs	Public Libraries Collection Development Grant Program
	F	Susan Boskoff, Nevada Arts Council	Guide to Programs & Services FY 2007
	G	Susan Boskoff, Nevada Arts Council	Enduring Traditions
	H	Susan Boskoff, Nevada Arts	Annual Report FY 2006
	I	David Branson, Nevada Arts Advocated	Letter
	J	Tim Jones, Nevada Arts Council	Advocacy Platform