

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session
April 19, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 2:22 p.m. on Thursday, April 19, 2007, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator William J. Raggio, Chair
Senator Bob Beers, Vice Chair
Senator Dean A. Rhoads
Senator Barbara K. Cegavske
Senator Bob Coffin
Senator Dina Titus
Senator Bernice Mathews

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Larry L. Peri, Principal Deputy Fiscal Analyst
Laura Freed, Program Analyst
Julie Diggins, Program Analyst
Michael Bohling, Committee Secretary

OTHERS PRESENT:

Nicole Lambole, Chief Deputy, Office of the Secretary of State
Scott K. Sisco, Deputy Director, Chief Fiscal and Administrative Officer,
Department of Cultural Affairs
Michael Fischer, Director, Department of Cultural Affairs
Andrew Clinger, Director, Department of Administration and State Budget
Director

CHAIR RAGGIO:

We are ready to begin the hearing of the Senate Committee on Finance Closing List Number 3 ([Exhibit C](#), original is on file in the Research Library).

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

I would like to offer some opening remarks on the closing sheets. We are bringing back two accounts for the Office of the Secretary of State and will be hearing the Department of Cultural Affairs' accounts this afternoon. I want to stress none of these accounts include any budget reduction adjustments which were made yesterday by the Governor. These closing documents were assembled over a week ago, consequently, there has not been time for staff to make adjustments based upon what the Governor has recently recommended restoring to these accounts.

Staff will review the Governor's recommendations and provide the information to the Committee, but currently, this budget closing list does not include anything the Governor has recommended to be restored into the accounts.

SENATOR COFFIN:

What if we do not want to worry about the adjustments?

MR. GHIGGERI:

At this point, staff has not had time to review the list. There are some items the Committee may or may not wish to address. I will defer to the Committee until I have an opportunity to review the adjustments and supply them to the Committee for review. If there are any items for discussion on the list, the Committee will need to bring them to staff's attention.

At this point, we are trying to close budgets and keep going. If we stop and wait for changes as they occur, we will still be here in the early fall.

CHAIR RAGGIO:

The Chair has not had any opportunity to review the detailed recommended changes in the budget, budget cuts or changes in the revenue. Anything we do at this point will be subject to reconsideration.

We will begin the hearing on the budgets of the Office of the Secretary of State.

ELECTED OFFICIALS

Secretary of State – Budget Page ELECTED-107 (Volume I)
Budget Account 101-1050

LAURA FREED (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Committee will recall this account was closed on April 4, 2007, with the exception of decision units E-710 and E-720.

E-710 Replacement Equipment – Page ELECTED-111

E-720 New Equipment – Page ELECTED-112

Subsequent to closing the account, budget reductions were provided which, in addition to the E-710 and E-720 issues, have been included in this document ([Exhibit C](#)). Staff would recommend rescinding the previous closing to review and consider new information. If the Committee wishes, you may leave all of the other enhancements as previously closed before the reductions were received.

MR. GHIGGERI:

I would like to clarify this was the first round of reductions which the fiscal staff received, and, subsequently, there were rescissions on some items and we are addressing a first round of reductions which have been incorporated.

SENATOR BEERS:

Are these reductions which have been incorporated in a previous closing?

MR. GHIGGERI:

These reductions were not in a previous closing; they are in this document ([Exhibit C](#)).

SENATOR BEERS:

Is there a possibility of some restorations?

MR. GHIGGERI:

There may be some restorations which are not in this document and I cannot tell you what those restorations may be. This budget was closed once, and this will be the first time you reconsider it. There were certain items in E-710 and E-720 which were left outside of the closure since staff did not have sufficient information to provide a recommendation. Staff now has some information on those items and is prepared to make recommendations.

CHAIR RAGGIO:

We will be hearing recommendations from the staff based upon previous adjustments and not the adjustments which were disclosed yesterday. What are the staff's recommendations?

MS. FREED:

Decision unit E-325 originally recommended General Fund appropriations of \$5,000 in each year of the biennium to support the Advisory Committee on Participatory Democracy (ACPD). The Governor now proposes to reduce the enhancement to \$2,492 in fiscal year (FY) 2007-2008 and \$2,500 in FY 2008-2009.

E-325 Services at Level Closest to People – Page ELECTED-110

The decision before the Committee is to approve the amended recommendations to provide General Fund appropriations of \$2,492 in FY 2007-2008 and \$2,500 in FY 2008-2009, to approve General Fund appropriations at the previously recommended amount of \$5,000 in each year of the biennium or to disapprove funding for the ACPD.

CHAIR RAGGIO:

As I understand, this was not previously funded by General Funds and this would be the first time.

MS. FREED:

Correct. Decision unit E-327 recommends General Fund appropriations of \$5,538 in FY 2007-2008 and \$5,434 in FY 2008-2009 to increase support of the Confidential Address Program (CAP). The Committee should note the decision unit was originally recommended at \$8,320 in FY 2008-2009, but was decreased to \$5,434 as a part of the budget reductions.

E-327 Services at Level Closest to People – Page ELECTED-110

The choices before the Committee are to approve support for the CAP at the amended levels of \$5,538 in FY 2007-2008 and \$5,434 in FY 2008-2009, to approve support of the CAP at the previously recommended levels of \$5,538 in FY 2007-2008 and \$8,320 in FY 2008-2009 or to disapprove enhancements to the CAP.

Decision unit E-329 originally recommended \$25,000 in FY 2007-2008 and \$40,054 in FY 2008-2009 to support overtime costs for the Commercial Recordings Division and the Elections Division. There was a budget amendment which was a technical change to switch \$15,054 in the General Fund for the Elections Division from FY 2007-2008 to FY 2008-2009. Staff concurs with this amendment. As a part of the budget reductions, the Governor recommended the Elections Division be reduced by \$12,036, and the new recommended overtime amount for the Elections group is \$3,018 for FY 2008-2009.

E-329 Services at Level Closest to People – Page ELECTED-111

The Committee may wish to approve overtime at the amended amounts of \$25,000 in FY 2007-2008 and \$28,018 in FY 2008-2009, to approve overtime at the previous budget amounts of \$25,000 in FY 2007-2008 and \$40,054 in FY 2008-2009 or to disapprove any overtime funding for the Office of the Secretary of State.

SENATOR BEERS:

Are these three items decision units which we have previously closed and the next decision units are those we have left open?

MS. FREED:

Yes. Decision unit E-710 originally recommended replacement equipment costs of \$278,980 in FY 2007-2008 and \$280,085 in FY 2008-2009, funded by General Fund appropriations. As a result of the Governor's budget reductions, the Office of the Secretary of State has reduced its replacement equipment request to \$68,346 in FY 2007-2008 and \$74,365 in FY 2008-2009 for a budget reduction of \$210,634 in FY 2007-2008 and \$205,720 in FY 2008-2009.

Decision unit E-720 is for new equipment, and under the budget reduction recommendations, this enhancement was recommended for elimination.

If the Committee wishes, I can continue through the budget representing matters which were previously closed.

CHAIR RAGGIO:

First, we will review decision units E-710 and E-720. From staff's analysis, the replacement equipment in decision unit E-710, with the amended reduction, is appropriate. The new equipment in decision unit E-720 would be eliminated. I will accept a motion with respect to these decision units.

SENATOR TITUS MOVED TO APPROVE STAFF RECOMMENDATIONS ON
DECISION UNITS E-710 AND E-720.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

Decision unit E-325, for the Participatory Democracy Fund, was not previously funded by General Funds, but the original funding source has been discontinued. The issue is whether or not to approve the enhancement at the reduced amount of \$2,492 in FY 2007-2008 and \$2,500 in FY 2008-2009. Does staff have any indication if these lesser amounts will accommodate the purposes of the Participatory Democracy Fund?

E-325 Services at Level Closest to People – Page ELECTED-110

MS. FREED:

When this budget was closed at the reduced level, the Secretary of State indicated the reduction will result in some reduction in their ability to pay the operating costs of the advisory committee, but it was not fatal to the operation. You may wish for someone from the Office of the Secretary of State to comment.

NICOLE LAMBOLEY (Chief Deputy, Office of the Secretary of State):

As we testified in the Assembly Committee on Ways and Means, we voluntarily complied with the Governor's requested budget reductions. We made reductions across the board in our enhancements, and we will work within the means we are given. We expect some of the operations of the advisory committee for the Participatory Democracy Fund will be reduced.

CHAIR RAGGIO:

We do not want to make reductions in the areas of primary concern in any agencies or any office. Is this an area which you have suggested will accommodate any reductions necessary?

MS. LAMBOLEY:

Yes.

SENATOR TITUS:

You should not surrender so easily. We are only talking about \$5,000 for a committee to meet annually. What can they do for Participatory Democracy with \$2,500?

SENATOR BEERS:

It seems we are wasting our time since we will be having this discussion again in a couple of days.

MS. LAMBOLEY:

We will work within our means, but we are more concerned with the reductions. The money would be used to fund the operations of the committee allowing the members, who are scattered throughout the State, to attend the meetings and support the Jean Ford awards. It is a concern, but we tried to comply with the request for voluntary reductions.

CHAIR RAGGIO:

What is the Committee's pleasure on decision unit E-325?

SENATOR BEERS MOVED TO ACCEPT THE PROPOSAL OF THE OFFICE
OF THE SECRETARY OF STATE TO REDUCE THE AMOUNT OF

DECISION UNIT E-325 TO \$2,492 IN FY 2007-2008 AND \$2,500 IN FY 2008-2009.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

What is staff's analysis for decision unit E-327, for the Confidential Address Program? Ms. Lamboley, is it feasible to provide this service at the reduced amount?

E-327 Services at Level Closest to People – Page ELECTED-110

MS. LAMBOLEY:

In the second year of the biennium, it would reduce our ability for outreach to members of the community impacted by domestic violence.

CHAIR RAGGIO:

Is this one of the Office of the Secretary of State's responses to the request for budget reductions?

MS. LAMBOLEY:

Yes.

SENATOR BEERS:

Does the Office of the Secretary of State have any outreach included in their Base Budget?

MS. LAMBOLEY:

Yes, we have a small amount. We were planning to expand it in the second year since that is when we anticipate the need for this service.

SENATOR BEERS MOVED TO ACCEPT THE RECOMMENDATION OF THE OFFICE OF THE SECRETARY OF STATE TO REDUCE THE AMOUNT OF DECISION UNIT E-327 TO \$5,538 IN FY 2007-2008 AND \$5,434 IN FY 2008-2009.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

I doubt the Committee will have any objection to amending the proposal of transferring funding for overtime to FY 2008-2009 in decision unit E-329. Is this also an area where reductions were offered?

MS. FREED:

The Elections group's overtime amount of \$15,054 was reduced by \$12,036 for a new recommended amount funded by General Fund of \$3,018 in FY 2008-2009.

SENATOR BEERS:

The bullet points, shown on page 3 of [Exhibit C](#), do not show a new recommended overtime amount of \$3,018 in FY 2008-2009.

MS. FREED:

There is \$25,000 of overtime in each year for the Commercial Recordings group which is not funded by General Funds, so that amount was not affected by the reductions.

SENATOR BEERS MOVED TO APPROVE OVERTIME AT THE AMENDED AMOUNTS OF \$25,000 IN FY 2007-2008 AND \$28,018 IN FY 2008-2009.

SENATOR CEGAVSKE SECONDED THE MOTION.

CHAIR RAGGIO:

In accepting the motion and the second, the area of which overtime will be affected is an uncertainty. We will be in session in 2009; otherwise, the agency would have the opportunity to come to the Interim Finance Committee (IFC) for additional money. We need to do this for the purpose of closing the budget.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will now open the hearing on budget account (B/A) 101-1053, Investigations and Enforcements.

SOS - Investigations and Enforcements – Budget Page ELECTED-119 (Volume I)
Budget Account 101-1053

MS. FREED:

Budget account 101-1053 is not supported by the General Fund, so it was not affected by the budget reductions. At the previous closing, staff expressed concerns with decision units E-710 and E-720. The Office of the Secretary of State reevaluated those decision units.

E-710 Replacement Equipment – Page ELECTED-120

E-720 New Equipment – Page ELECTED-121

Decision unit E-710 originally recommended replacement equipment funding of \$45,268 in each year of the biennium. The Committee may recall a discussion of the staff's request for further justification on replacement equipment for the Securities group. They provided a revised equipment list and the new cost of the decision unit is \$22,220 in FY 2007-2008 and \$40,220 in FY 2008-2009. Staff reviewed the list of equipment proposed for replacement and concurs with the reductions.

Does the Committee wish to approve the revised amounts for replacement equipment of \$22,220 in FY 2007-2008 and \$40,220 in FY 2008-2009?

CHAIR RAGGIO:
Please review decision unit E-720 with the Committee.

MS. FREED:
Decision unit E-720 originally recommended \$1,978 for new equipment in each year of the biennium. The Office of the Secretary of State provided a revised new equipment list at a cost of \$1,078 in each year of the biennium. Staff concurs with the reductions offered by the Office of the Secretary of State.

CHAIR RAGGIO:
What is Quicken/QuickBooks?

MS. FREED:
Quicken/QuickBooks is bookkeeping software.

SENATOR BEERS MOVED TO APPROVE DECISION UNITS E-710 AND E-720 WITH THE REDUCTIONS AGREED TO BY THE OFFICE OF THE SECRETARY OF STATE.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:
We will now open the hearing on the Department of Cultural Affairs beginning with Cultural Affairs Administration, B/A 101-2892.

CULTURAL AFFAIRS

Cultural Affairs Administration – Budget Page CULTURAL AFFAIRS-1 (Volume I)
Budget Account 101-2892

JULIE DIGGINS (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):
There are no major issues in this budget account. Staff notes the new and replacement equipment is included in a onetime appropriation outside of the operating budget. In one item, relating to performance, staff has provided a response to Committee concerns on visitor attendance. There are no closing actions required from the Committee; this is only provided as follow-up information.

SENATOR BEERS MOVED TO CLOSE BUDGET ACCOUNT 101-2892 WITH TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR COFFIN:

I want to emphasize to the representatives from the Department of Cultural Affairs they should not be shy in presenting their objections to budget reductions with which they are not comfortable.

CHAIR RAGGIO:

We will now open the hearing on Nevada Humanities, B/A 101-2894.

Nevada Humanities – Budget Page CULTURAL AFFAIRS-6 (Volume I)
Budget Account 101-2894

Ms. DIGGINS:

There are no major issues in this budget account. The *Executive Budget* recommends a flat \$100,000 in each fiscal year and staff recommends closing this budget as recommended.

SENATOR MATHEWS MOVED TO CLOSE BUDGET ACCOUNT 101-2894
AS RECOMMENDED BY STAFF.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will now open the hearing on Museums and History, B/A 101-2941.

Museums & History – Budget Page CULTURAL AFFAIRS-8 (Volume I)
Budget Account 101-2941

Ms. DIGGINS:

There are no major issues in this budget account. Under other closing issues, decision unit M-750 for building construction maintenance is for the museum administrative building on Curry Street in Carson City. The *Executive Budget* recommends \$64,624 in FY 2007-2008. Based on information provided by staff, this recommendation appears to be reasonable. Other than this issue, there is a technical adjustment.

M-750 Building Construction Outside CAP – Page CULTURAL AFFAIRS-10

SENATOR BEERS MOVED TO CLOSE BUDGET ACCOUNT 101-2841 WITH
TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will now open the hearing on the Lost City Museum, B/A 101-1350.

Lost City Museum – Budget Page CULTURAL AFFAIRS-13 (Volume I)
Budget Account 101-1350

Ms. DIGGINS:

There are no major issues in this budget account. Staff would recommend closing this budget as recommended with technical adjustments.

SENATOR COFFIN:

What sorts of map corrections are required in the technical adjustments?

Ms. DIGGINS:

These are fund maps. We want to correct the proper funding sources.

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET ACCOUNT 101-1350
WITH TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will now open the hearing on the Nevada Historical Society budget,
B/A 101-2870.

Nevada Historical Society – Budget Page CULTURAL AFFAIRS-17 (Volume I)
Budget Account 101-2870

Ms. DIGGINS:

There are no major issues in this budget account. Under other closing items, there is a building construction maintenance decision unit for stucco maintenance repair on the main building and the addition for \$141,750. The agency has proposed to reduce the recommended stucco maintenance in decision unit E-750 by \$49,500. The balance of \$92,250 for stucco maintenance on the main historical building is recommended for approval.

M-750 Building Construction Outside CAP – Page CULTURAL AFFAIRS-19

CHAIR RAGGIO:

I am familiar with this building and it does need maintenance of the stucco on the main building. I am not familiar with the addition to the building. Mr. Sisco, why are you not maintaining the stucco on the entire building?

SCOTT K. SISCO (Deputy Director, Chief Fiscal and Administrative Officer,
Department of Cultural Affairs):

To make the reductions which were asked of us, we adjusted this amount. This will be included in the recommendation for the restoration.

CHAIR RAGGIO:

Is this causing material damage to the entire structure?

MR. SISCO:

It is not doing as much damage as budget reductions we have elsewhere. The Governor has accepted our proposal for recommendations and you will see this issue again in a couple of days with full funding.

CHAIR RAGGIO:

Will this be the only part of the budget to be reconsidered?

MR. SISCO:

No. We were originally asked to reduce the budget by approximately \$84,000 in FY 2007-2008 and \$847,000 in FY 2008-2009. The Committee will see approximately 50 percent of the reductions return in FY 2007-2008 and 60 percent return in FY 2008-2009. This is one of the items which was reduced.

CHAIR RAGGIO:

It is ridiculous to maintain the stucco on the main building and not maintain it on the addition.

MR. GHIGGERI:

Staff is pointing out the items which were recommended for reduction. The Committee does not have to accept anything which has been recommended.

SENATOR BEERS MOVED TO FUND THE FULL STUCCO MAINTENANCE
AS ORIGINALLY REQUESTED BY THE GOVERNOR.

SENATOR COFFIN SECONDED THE MOTION.

SENATOR COFFIN:

I want the motion to reflect the agency request. I cannot tell from the Governor's recommendation if this included all of the stucco maintenance. If you do not repair the stucco, it will degrade the stones and mortar underneath.

CHAIR RAGGIO:

If you do not perform stucco maintenance uniformly, the appearance will not be consistent.

SENATOR COFFIN:

This is why I want the motion to reflect the agency request rather than the Governor's recommendation. I would like to know if the requests are the same.

MR. SISCO:

Both of the stucco repairs are specific areas which were identified in the facility's condition analysis report by the State Public Works Board. At this point, they are not recommending the entire building for stucco maintenance, only the areas which will prevent future deterioration.

CHAIR RAGGIO:

That is even more important. These are the areas which are in need.

MR. SISCO:

There is no question of the need of maintenance in these areas. This reduction least impaired the Department when the request for reductions was made.

THE MOTION CARRIED. (SENATORS TITUS AND COFFIN VOTED NO.)

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Ms. DIGGINS:

The next decision unit in this budget account, E-325, was originally recommended by the Governor at \$13,018 in FY 2007-2008 and \$48,294 in FY 2008-2009. It would allow the agency to purchase back issues of Nevada's newspapers on microfilm which was discontinued as an ongoing expenditure. This decision unit was proposed for a reduction of \$35,276. This will leave the remaining \$13,018 in each fiscal year for the ongoing purchase of the Nevada newspapers on microfilm, and the agency would be unable to purchase the missing collection items.

E-325 Services at Level Closest to People – Page CULTURAL AFFAIRS-20

SENATOR COFFIN MOVED TO RESTORE THE REDUCTIONS TO THE BUDGET TO PROVIDE FOR THE PURCHASE OF THE BACKLOG OF NEVADA NEWSPAPERS.

SENATOR BEERS:

Did the vendor drop their price?

MR. SISCO:

The prices were increased two years ago. We do not believe the price will change in the next two to four years. The reduction in this enhancement prolongs our ability to purchase the back issues. This is one of the items which will appear in the budget restorations soon coming before the Committee.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR TITUS VOTED NO.)

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Ms. DIGGINS:

The last decision unit, M-425, is for \$9,326 in FY 2007-2008 for maintenance repair to the compact shelving systems.

M-425 Deferred Facilities Maintenance – Page CULTURAL AFFAIRS-19

CHAIR RAGGIO:

If this is the only other item, I will request a motion to close the budget with decision unit M-425 and the other items which we have approved with staff's technical adjustments.

SENATOR BEERS MOVED TO CLOSE BUDGET ACCOUNT 101-2870 WITH DECISION UNIT M-425, AND ITEMS M-750 AND E-325 WHICH WE HAVE APPROVED, WITH STAFF'S TECHNICAL ADJUSTMENTS.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will now open the hearing on the State Museum, Carson City, B/A 101-2940.

State Museum, Carson City – Budget Page CULTURAL AFFAIRS-22 (Volume I)
Budget Account 101-2940

Ms. DIGGINS:

There are no major issues in this budget account. Under other closing items is decision unit M-750 for maintenance projects on various museum sites. Upon further review, staff learned this decision unit included four projects also included in the Statewide Fire Life Safety Project which is maintenance on seismic gas shutoff valves. The Statewide Fire Life Safety Project includes the Nevada State Museum. Staff has made a technical adjustment to remove duplicate funding of \$16,100 from this decision unit in FY 2007-2008.

M-750 Building Construction Outside CAP – Page CULTURAL AFFAIRS-25

There is a deferred maintenance project for heating, ventilation and air-conditioning balancing and emergency exit door hardware in the amount of \$26,000 in FY 2007-2008. This appears reasonable to staff.

M-425 Deferred Facilities Maintenance – Page CULTURAL AFFAIRS-24

The next decision unit in this budget account, E-250, is for connecting structural maintenance. The Committee will recall, during the budget hearings, there was duplicate funding in the Capital Improvement Program (CIP) projects and this decision module. Staff has made a technical adjustment to remove this duplicate funding.

E-250 Working Environment and Wage – Page CULTURAL AFFAIRS-25

Under the technical adjustments, there was also a fund map issued for various positions funding which requires, to properly allocate the funding, the addition of General Fund appropriations of \$19,451 in FY 2007-2008 and \$17,044 in FY 2008-2009.

CHAIR RAGGIO:

Unless there are objections, with respect to each of the closing items including: the building construction maintenance, M-750; the deferred maintenance projects, M-425; the position elimination, E-251; the connecting structure maintenance, E-250, staff has analyzed each of these items and indicates they appear to be reasonable.

We should also note there is the maintenance of the connecting structure but one of the major CIP projects under consideration is the permanent connecting structure which exists between the two buildings. This project has been reviewed.

The Chair would accept a motion closing the budget with the adjustments as recommended by staff.

SENATOR RHOADS MOVED TO CLOSE BUDGET ACCOUNT 101-2940 WITH THE TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED.

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CHAIR RAGGIO:

We will now open the hearing on the Museum and Historical Society in Las Vegas, B/A 101-2943.

Museum & Historical Society - LV – Budget Page CULTURAL AFFAIRS-28
(Volume I)
Budget Account 101-2943

Ms. DIGGINS:

There is one major closing issue in this budget account. The Governor recommends 12.51 net full-time equivalent (FTE) positions and operating costs for the new Las Vegas Springs Preserve facility in this budget. The funding amount originally recommended was \$1,030,000 in FY 2008-2009 to support increased utility and operating costs, including a joint marketing and advertising program for \$175,000, and the additional personnel costs for the new facility. It was originally scheduled to open in late July 2008; however, due to delayed building permits, it appears the opening of the museum will be delayed until April 2009.

In an effort to meet the Governor's targeted budget reduction, the agency proposed to delay the opening and push back the operating and personnel cost resulting in savings of \$418,995 in personnel costs and \$178,491 in operating costs.

Regarding the new positions, the agency indicates the facility will more than double the size of the existing museum, from approximately 30,000 square feet to 69,000 square feet. The agency intends to transfer all of its existing employees, which are 15.51 FTEs, including a position which will be recommended for elimination. On page 20 of the closing document ([Exhibit C](#)), there is a chart describing the recommended positions, duties and start dates. Staff has reviewed all of the information provided as justification and has determined the agency has substantiated the need for these positions.

The Committee may recall there was specific discussion during the budget hearing concerning a grants analyst position and the public information officer positions. The agency has provided additional information describing the duties and the need for these positions. Staff has reviewed this information and believes they have provided adequate justification for their need.

Pursuant to the Committee's request regarding the number of press releases by the sole public information officer (PIO) in the northern region, the Division provided information indicating there were more press releases in the north than

in the south. In response, the agency anticipates that with a new PIO located in southern Nevada, they will be able to resolve this imbalance and increase visitor attendance at the southern Nevada facilities.

Staff would recommend that if the Committee wishes to approve the \$175,000 included in the operating costs for joint marketing and advertising, they would be placed in a separate category to facilitate accounting.

The decision before the Committee is whether or not they wish to approve the recommended funding budget reduction of \$597,486 for personnel and operating costs in FY 2007-2008.

CHAIR RAGGIO:

Is this is due to delaying the opening of the facility and not eliminating the positions?

MS. DIGGINS:

Yes.

CHAIR RAGGIO:

The Joint Subcommittee on Higher Education and Capital Improvements is reviewing the final project to complete the museum as well as retention of the facility at Lorenzi Park.

SENATOR BEERS:

It makes no sense to start the PIO in June since this position will need as much ramp-up time as the preparation staff and others. This position must start acquiring a network of media contacts. We should start this position a couple of months early to get news people excited about the project ahead of time for the grand opening.

CHAIR RAGGIO:

According to the chart on page 20 of the closing list ([Exhibit C](#)), the PIO starts in June 2009.

SENATOR BEERS:

Most of the other positions start in April.

MR. SISCO:

As I mentioned, we were asked to reduce approximately \$850,000 from our budget in the second year of the biennium, and the museum was the area hardest hit. We also received word from the Las Vegas Springs Reserve they were behind schedule in obtaining the needed building permit from Clark County. The building permit has now been released. The museum is scheduled to be completed at the end of October 2008. It will take 60 to 90 days to build the exhibits. This means we could open January 1, 2009, which is not a good time of year to open the museum. We are still proposing to open April 1, 2009, and with the budget restorations you will be seeing, we plan to start all of the staff, including the PIO, prior to the opening. We will start the patron-orientated staff 30 days before opening. The people who will assist in opening the museum will start 60 days before opening.

We were able to restore the budget reductions and still save the State approximately \$266,000. We are uncomfortable with the deletion of the grants

analyst and the PIO positions from our budget by the Assembly Committee on Ways and Means.

SENATOR COFFIN:

I would like to hear the opinion of Mr. Fischer regarding whether or not we will meet the needs of the museum with this proposed budget.

MICHAEL FISCHER (Director, Department of Cultural Affairs):

I am confident we will deliver a service in southern Nevada which has been needed. The \$175,000 for marketing is basically 10 cents on the dollar for the program which will market the entire Las Vegas Springs Preserve and the museum.

We will have the most innovative and selective exhibit source data in the State of Nevada. It will be a museum for this century and beyond as opposed to museums, such as the Smithsonian, which have been losing attendance. We will be part of a campus concept which allows us to market and be seen as an attraction. By doing this, we will set the standard to which other museums in the State will aspire. As we move ahead, we will be analyzing as we go along to have the ability to make corrections and be proud of our efforts.

CHAIR RAGGIO:

This is one of the most exciting projects we have had during the years I have been serving here. Those of us who work on the Joint Subcommittee on Higher Education and Capital Improvements are impressed with this museum. I do not know where these budget recommendations will lead, but with all of the effort we have put forward in this CIP project, this will be one of the major attractions in the Las Vegas area. We should accommodate whatever funding is necessary to get this project open and operating as soon as feasible. We should not cut the grants and project analysts and PIO positions or delay the opening.

MR. GHIGGERI:

Staff will concur with the Chair in his remarks on this issue and would recommend the Committee provide what is needed when the Department of Cultural Affairs is ready to open this facility. I would defer the decisions regarding the resources needed to open and operate this facility to the Department of Cultural Affairs. If needed, we can revisit this budget or the Committee can refer to staff to work with the Department of Cultural Affairs to put the numbers together.

SENATOR BEERS:

We should fund the project for a January 1, 2009, opening date. The opening will not be any sooner but could be delayed. If the opening is delayed for three months, the excess funds can revert to the General Fund at the end of the biennium.

CHAIR RAGGIO:

The motion would be to approve the funding necessary to retain the positions which have been requested to accommodate the opening of the facility upon completion.

MR. SISCO:

The coming budget restorations will bring all of the staff back prior to the opening. The only issue is whether we open on January 1, 2009, which would

require us to move in while the exhibits are being built, or plan on opening on April 1, 2009, which will allow us time.

CHAIR RAGGIO:

We are not compelling you to do anything unreasonable. The Senator is saying to do what is reasonable to staff the facility as quickly as possible for the opening.

SENATOR BEERS:

For what we authorize in spending, we need to err on the side of caution and assume everything will go perfectly. If it does not, we will have some reversion to the General Fund. The alternative is to err by under authorizing the funding, which would be a mistake.

CHAIR RAGGIO:

I will suggest the motion from Senator Beers would be to approve the funding reasonably necessary to accommodate the opening and operation of the facility as soon as practicable after the completion of the project. The Department of Cultural Affairs will work with the Legislative Counsel Bureau (LCB) fiscal staff to develop the appropriate funding amount to accomplish this task. We can then have the amount indicated ratified by the Committee.

SENATOR BEERS MOVED TO APPROVE THE FUNDING REASONABLY NECESSARY TO ACCOMMODATE THE OPENING AND OPERATION OF THE FACILITY AS SOON AS PRACTICAL AFTER THE COMPLETION OF THE PROJECT WITH THE TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF; THE DEPARTMENT OF CULTURAL AFFAIRS WILL WORK WITH THE LEGISLATIVE COUNSEL BUREAU FISCAL STAFF TO DEVELOP THE APPROPRIATE FUNDING AMOUNT WHICH WILL ACCOMPLISH THIS TASK.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will close B/A 101-2943 with the understanding of the motion carried by this Committee. We will now open the hearing on the State Railroad Museums, B/A 101-4216.

State Railroad Museums – Budget Page CULTURAL AFFAIRS-33 (Volume I)
Budget Account 101-4216

Ms. DIGGINS:

There is one major closing issue, decision unit M-750, the Carson City and Ely Railroad Museum building construction maintenance. The Governor recommends \$595,990 in FY 2007-2008 for various projects. The deferred maintenance and maintenance construction projects appear reasonable. Staff would note that in the 2005 Legislative Session, deferred maintenance projects in the amount of \$601,348 for this budget account were funded by room-tax funds from the Commission on Tourism. It will not be known if there is any excess funding

available for other projects the Committee may wish to consider funding until the Commission on Tourism budget closes.

M-750 Building Construction Outside CAP – Page CULTURAL AFFAIRS-35

In response to the Governor's recommended budget reductions, the agency proposes to reduce this decision module by \$7,200 by eliminating a siding replacement on the V&T Interpretive Center.

CHAIR RAGGIO:

Mr. Sisco, why do you want to eliminate \$7,200 for siding?

MR. SISCO:

We had to cut everything we could to accommodate the Governor's recommended budget reductions. This item is also included in the upcoming budget restorations and will be coming back into the budget.

CHAIR RAGGIO:

How do you know they will not remove them again a week later?

MR. SISCO:

They care about what we are doing as much as we do. The Budget Division sent an amendment for the railroad museums which did not make it into the closing documents. There is approximately \$507,000 in Commission on Tourism funds for maintenance projects in the current biennium which we will not be able to complete by the end of the fiscal year. Rather than having to reopen this budget to put these funds back in, we would like to see this budget closed including those funds.

CHAIR RAGGIO:

Do you agree with this, Mr. Clinger?

ANDREW CLINGER (Director, Department of Administration and State Budget Director):

We did send the budget amendment Mr. Sisco is referring to. It was not in time to be included in this closing document.

MR. SISCO:

This is for deferred maintenance in the amount of \$507,343 which will revert back to the Commission on Tourism this biennium and requested again next biennium to complete this project.

CHAIR RAGGIO:

Which project is this referencing?

MR. SISCO:

The project is not in the budget before you. This is a current year project for electrical rework in the East Ely Railroad Depot Museum. Since it was not supported by General Funds, we did not have a bill to move the project forward.

CHAIR RAGGIO:

Is the amount \$595,000?

MR. SISCO:

No, that amount is for the next biennium. The amount is \$507,343 which will be an addition to the budget brought in from the Commission on Tourism and placed into category 50.

CHAIR RAGGIO:

Is this room-tax funding?

MR. SISCO:

Yes.

MS. DIGGINS:

This is the remaining amount of unspent funding from this biennium which is projected to balance forward.

CHAIR RAGGIO:

Are you suggesting we indicate the restoration of this room-tax funding in the budget?

MS. DIGGINS:

The agency is requesting, and the Budget Division has sent, an amendment to revert the unspent room-tax funding to the Commission on Tourism.

CHAIR RAGGIO:

Is this unspent funding from this biennium?

MS. DIGGINS:

Yes.

CHAIR RAGGIO:

Do we know for certain this unspent money is in the tourism budget?

MR. SISCO:

The funds are currently in the Department of Cultural Affairs' budget. We will revert the funds to the Commission on Tourism and they will return it to us in the next biennium.

CHAIR RAGGIO:

You have these room-tax funds from the approved budget and it is unspent. It can be used for this purpose. When will it be used?

MR. SISCO:

The contract is currently in place, but the funds will not be drawn down by the contractor until after July 1, 2007.

CHAIR RAGGIO:

Do we have to show the funds reverting to the Commission on Tourism then approve the funds coming from the Commission back to the Department of Cultural Affairs?

MR. SISCO:

Yes.

MR. GHIGGERI:

I have not seen this amendment. Was the funding provided in your budget?

MR. SISCO:

Yes.

MR. GHIGGERI:

We should make an adjustment to the closing to provide for a balance forward of these funds instead of reverting them. I have not seen this amendment, so I cannot speak to what you are trying to do, but it sounds like you want to balance the funds forward. We can give you the authority to balance the funds forward in the budget closing.

MR. SISCO:

That is what we wish to do.

MS. DIGGINS:

There is one other closing item, marketing funds for the Boulder City Railroad, described in decision unit E-343.

E-343 Services at Level Closest to People – Page CULTURAL AFFAIRS-36

This is ride-fee revenue in the amount of \$32,779 in each fiscal year to fund a marketing program for the Boulder City Railroad Museum. Staff has reviewed the supporting information and, based on testimony, the recommendation appears reasonable.

CHAIR RAGGIO:

Are there any important items in the technical adjustments?

MS. DIGGINS:

There is nothing major. There is a nominal funding source change and staff would note we have changed the title of a category.

CHAIR RAGGIO:

I will accept a motion to close the budget, as recommended by staff, including the balance forward of room-tax funds for the deferred maintenance projects; retaining the \$7,200 for siding replacement on the interpretive center; the funds for Boulder City Railroad Museum marketing, as described in decision unit E-343; and technical adjustments recommended by staff.

SENATOR COFFIN MOVED TO CLOSE BUDGET ACCOUNT 101-4216 AS RECOMMENDED BY STAFF INCLUDING THE BALANCE FORWARD OF ROOM-TAX FUNDS FOR THE DEFERRED MAINTENANCE PROJECTS; RETAINING \$7,200 FOR SIDING REPLACEMENT ON THE INTERPRETIVE CENTER; FUNDS FOR BOULDER CITY RAILROAD MUSEUM MARKETING AS DESCRIBED IN DECISION UNIT E-343; AND TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR RHOADS WAS ABSENT FOR THE VOTE.)

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SENATOR COFFIN:

You mentioned the other day the storage of old papers and file cabinets. The Ely Museum is the worst place for the storage of old documents. The wood is bad for these items, and we need to get them into a more compatible storage facility. I hope you have the funding for this with what we have allocated since we will need to conserve these items.

Mr. Clinger, has the Governor had the chance to personally review all of these budget changes?

MR. CLINGER:

I have reviewed the information with the Governor, though he did not review all of the details. A couple of weeks ago, we had the budget reductions ready to transmit to the Legislature. It was the evening I met with the Governor when we received information from Mr. Willden, the director of the Department of Health and Human Services (DHHS), indicating they had a \$50 million caseload change. Based on the information from our meeting with the LCB fiscal staff regarding the \$50 million caseload change, these budget restorations were put into the budget. I want to clear this up since there is talk of budget reductions and restorations. It was, literally, the day we had completed the budget reduction plan when we received the information from DHHS telling us caseload projections indicated we could save this \$50 million. It is a big task to move \$50 million around in the budget and my staff, and the agencies' staffs reworked these numbers over the weekend. This is why you are seeing these restorations and shifts coming back and forth.

SENATOR COFFIN:

It had been suggested these restorations might be borrowing from future reserves to fill the budget gap. If a \$50 million caseload change is where this money came from, do we still need to act so cautiously?

MR. CLINGER:

We do need to act cautiously. The Governor asked Mr. Willden's staff and the staff from Medicaid and other areas to recheck the caseload figures to be certain the funds would be available. Mr. Willden and I both warned the Governor that if we are wrong, we would be in a bad situation in the middle of the biennium if the caseload projections were off by \$50 million. Those projections originally started at \$70 million and we worked them down to \$50 million. We were cautious because we do not want to find we have insufficient funds during the next two years.

CHAIR RAGGIO:

In our Joint Subcommittee on K-12/Human Services this morning, we also heard the information from Mr. Willden, and we are aware of the difficulty in determining what the exact figures are in this situation. I know you and the Budget Division get a lot of criticism on this, Mr. Clinger, but I also know you have been working diligently to sort out this matter. In many years, we have not had a situation where the numbers projected by the Economic Forum in December suddenly disappeared. It has not been an easy task for the Budget

Division or the LCB Fiscal Analysis Division to determine what the available revenues are, what adjustments can be made, and, for the first time, we are working against the impact of an expenditure cap. We are dealing with a lot of factors which have not been budget considerations to the Executive Branch or the Legislative Branch in previous sessions.

I will not join the list of critics since you and our fiscal staff have had an almost impossible task. I know you have been working together and there might be some necessity to make adjustments to the budgets.

We will now open the hearing on the State Historic Preservation Office budget, B/A 101-4205.

State Historic Preservation Office – Budget Page CULTURAL AFFAIRS-38
(Volume I)

Budget Account 101-4205

Ms. DIGGINS:

There are no major issues in this budget account. I would note decision unit E-710 for replacement equipment which staff believes is a reasonable recommendation.

E-710 Replacement Equipment – Page CULTURAL AFFAIRS-40

I would also note, pursuant to the Governor's budget reduction recommendation, the agency proposed to eliminate \$15,744 in historic preservation and archeological grant funding in FY 2008-2009. This is also an item which the Governor has restored. The Committee may wish to consider whether or not they want to grant this funding.

SENATOR COFFIN MOVED TO CLOSE BUDGET ACCOUNT 101-4205 AS PREVIOUSLY RECOMMENDED WITHOUT THE INDICATED REDUCTIONS OF \$15,744 IN HISTORIC PRESERVATION AND ARCHEOLOGICAL GRANT FUNDING AND TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will now open the hearing on the Comstock Historic District, B/A 101-5030.

Comstock Historic District – Budget Page CULTURAL AFFAIRS-43 (Volume I)
Budget Account 101-5030

Ms. DIGGINS:

There are no major issues, and staff would recommend this budget account be closed as recommended by the Governor.

SENATOR BEERS MOVED TO CLOSE BUDGET ACCOUNT 101-5030 AS RECOMMENDED BY THE GOVERNOR.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will now open the hearing on the Nevada State Library, B/A 101-2891.

Nevada State Library – Budget Page CULTURAL AFFAIRS-47 (Volume I)
Budget Account 101-2891

Ms. DIGGINS:

There are no major issues in this budget account. There are several decision units which have the recommended budget reductions, the first of which is decision unit M-101, the inflationary increase for book acquisition. The Governor originally recommended \$20,608 in FY 2007-2008 and \$22,051 in FY 2008-2009 to fund the cost of inflation. Pursuant to the budget reduction, the funding of \$22,051 was eliminated in the second year of the biennium.

M-101 Inflation - Agency Specific – Page CULTURAL AFFAIRS-49

Increased funding for bookmobiles, described in decision unit E-329, was originally recommended by the Governor at \$40,000 each fiscal year to increase operating funds for bookmobile base funding. As part of the statewide budget cuts, the Governor proposes to reduce the funding by \$20,000 each fiscal year.

E-329 Services at Level Closest to People – Page CULTURAL AFFAIRS-50

CHAIR RAGGIO:

Is this in addition to the Base Budget?

MR. GHIGGERI:

This is in addition to what was funded in the last biennium. If I am not mistaken, this brings them to \$117,000. If you leave the \$20,000 in each year, it amounts to an increase of approximately a \$15,000 each year over what was spent in the last biennium.

Ms. DIGGINS:

Pursuant to the Governor's budget reduction recommendations, a part of the State Record Center remodel project at the Lorenzi Park Museum will be remodeled into the Cultural Affairs Southern Nevada Records Center. The library has programs scheduled to move into the new building at the Las Vegas Springs Preserve facility. Based on the Governor's proposed reductions and the delay of the remodel and completion of the Las Vegas Springs Preserve facility, there is an additional \$10,733 in FY 2008-2009 to cover these costs. If the Committee should deny the proposed delayed opening of the museum and the related remodel, the additional rent expenditures for this budget account would be eliminated.

In other items, there is some follow up to the discussion of the \$1.2 million for collection development funding for public libraries. No closing action is required for this item.

SENATOR BEERS:

It makes sense to approve decision unit E-329 for the bookmobiles' increased funding. It also makes sense for us to put the \$1.2 million for the collection development funding for public libraries into the Base Budget rather than a one-shot appropriation. We always have the ability to reduce the Base Budget but it appears we have a chance of increasing overall funding if we simply give the funds a different accounting classification.

CHAIR RAGGIO:

Is there a maintenance of effort (MOE) issue if we put the funds into the Base Budget?

Ms. DIGGINS:

According to the agency, if the funding were considered Base Budget funding, it would improve the MOE issue. Essentially, if they lose the one-shot appropriation, it becomes an MOE issue.

CHAIR RAGGIO:

Then, we would have to maintain the funding. If it is in the Base Budget, will it not be viewed as a circumvention of MOE?

Ms. DIGGINS:

According to the agency, if the funding were moved into the Base Budget, it would provide sufficient funding toward a match and MOE.

CHAIR RAGGIO:

The MOE means you cannot use the funding to replace the federal funding. We will not get the federal funding if we use the money to replace State funds.

MR. SISCO:

The MOE does not allow us to use federal funds to supplant existing State funds. If you decide to put this \$1.2 million into the Base Budget, it will resolve our MOE issues for many years.

SENATOR BEERS:

Would it make sense to gradually convert the funding to the Base Budget?

MR. SISCO:

No. The funding formula, which is extremely unique and well written directly into the *Nevada Revised Statutes*, allows for a specific amount of money for each of the federal grants. If the funding declines to under \$600,000 each year, it becomes problematic as we deal between large and small counties. It would not affect the MOE effort at all.

SENATOR BEERS:

We should put the \$1.2 million into the Base Budget.

MR. GHIGGERI:

Do you want to split the \$1.2 million between the fiscal years and put \$600,000 into the Base Budget each year?

SENATOR BEERS:

Yes.

SENATOR BEERS MOVED TO CLOSE BUDGET ACCOUNT 101-2891 WITH THE INCREASED FUNDING FOR BOOKMOBILES DESCRIBED IN DECISION UNIT E-329; TO UPGRADE THE POSITIONS DESCRIBED IN DECISION UNIT E-805; TO APPROVE THE BOOK INFLATION DESCRIBED IN DECISION UNIT M-101; TO MOVE THE \$1.2 MILLION FOR THE COLLECTION DEVELOPMENT FUNDING FOR PUBLIC LIBRARIES INTO THE BASE BUDGET; AND TO GIVE STAFF THE ABILITY TO MAKE ANY TECHNICAL ADJUSTMENTS THAT ARE REQUIRED.

Ms. DIGGINS:

Senator Beers, was your motion for the bookmobile funding the full amount as originally recommended for the increase of \$40,000?

SENATOR BEERS:

Yes.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will now open the hearing on Archives and Records, B/A 101-1052.

Archives and Records – Budget Page CULTURAL AFFAIRS-54 (Volume I)
Budget Account 101-1052

Ms. DIGGINS:

This budget has one major closing issue which is the four new positions requested for the new Southern Nevada Records Center program described in decision unit E-225.

E-225 Eliminate Duplicate Effort – Page CULTURAL AFFAIRS-56

The Department and the Las Vegas Springs Preserve, in an effort to meet targeted budget reductions, proposes to delay the museum opening until April 2009.

CHAIR RAGGIO:

Will this accommodate the plan for the reopening?

Ms. DIGGINS:

Yes.

CHAIR RAGGIO:

This is a situation in which the facility is on a \$1 a year lease from the city, must be retained as a museum, and the remodel would partially include data storage. These four positions are for the data storage operations. They must retain the facility as a museum for three months, then, it will revert to the city.

MR. GHIGGERI:

Staff would recommend you allow them to coordinate this with the Las Vegas Springs Preserve since there is overlap with some positions. We would like to

coordinate this closing with the Las Vegas Springs Preserve. If we can work with the agency and coordinate these items, we will bring it back for the Committee's review based upon the actions taken on the Las Vegas Springs Preserve budget.

CHAIR RAGGIO:

Does staff feel the request of the four positions is reasonable?

Ms. DIGGINS:

Yes.

CHAIR RAGGIO:

Are there other closing items?

Ms. DIGGINS:

Budget amendment 40 includes \$256 in FY 2007-2008 and \$469 in FY 2008-2009 to remove the Attorney General cost allocation based on the minimal amount of other funding this budget account receives.

SENATOR BEERS MOVED TO CLOSE BUDGET ACCOUNT 101-1052 AS RECOMMENDED WITH THE FOUR POSITIONS AS DESCRIBED IN DECISION UNIT E-225; WITH THE UNDERSTANDING THE AGENCY WILL WORK WITH THE LCB FISCAL STAFF TO COORDINATE THIS BUDGET WITH THE OPENING OF THE LAS VEGAS SPRINGS PRESERVE MUSEUM; AND TO GIVE STAFF THE ABILITY TO MAKE TECHNICAL ADJUSTMENTS TO THE ATTORNEY GENERAL AND OTHER COST ALLOCATIONS.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will now open the hearing on Nevada State Library-Literacy, B/A 101-2893.

Nevada State Library - Literacy – Budget Page CULTURAL AFFAIRS-59

(Volume I)

Budget Account 101-2893

Ms. DIGGINS:

There are no major issues in this budget account. Staff recommends closing this budget as recommended with technical adjustments.

SENATOR COFFIN MOVED TO CLOSE BUDGET ACCOUNT 101-2893 AS RECOMMENDED WITH TECHNICAL ADJUSTMENTS.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will now open the hearing on the Nevada State Library Cooperative Libraries Automated Network, B/A 101-2895.

Nevada State Library - CLAN – Budget Page CULTURAL AFFAIRS-63 (Volume I)
Budget Account 101-2895

Ms. DIGGINS:

There are no major issues in this budget account. Staff recommends closing this budget as recommended with technical adjustments.

SENATOR MATHEWS MOVED TO CLOSE BUDGET ACCOUNT 101-2895
AS RECOMMENDED WITH TECHNICAL ADJUSTMENTS.

SENATOR BEERS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will now open the hearing on Micrographics and Imaging, B/A 101-1055.

Micrographics and Imaging – Budget Page CULTURAL AFFAIRS-67 (Volume I)
Budget Account 101-1055

Ms. DIGGINS:

There are no major issues in this budget account. There was discussion during the budget hearing concerning the agency's reserve level. The agency has provided an operational plan outlining actions to increase the agency's ending reserve level which is included in the closing document.

The Committee also requested the agency to provide a list of State agencies which ceased using micrographic services during the 2005-2007 biennium due to the purchase of their own equipment. This information is also presented in the closing document ([Exhibit C](#)).

Due to concerns with the program's reserve levels, the Committee should issue a Letter of Intent for the agency to report to the IFC with revenue and expenditure date, with the impact to their reserve, on a semi-annual basis beginning January 1, 2008.

CHAIR RAGGIO:

The information provided by the agency can be seen on page 37 of the closing document ([Exhibit C](#)). It shows what the program will do through its various venues and, as requested, a list of State agencies which have ceased using their services due to the purchase of their own equipment. Among these agencies are the Gaming Control Board, the Office of the Secretary of State, the Department of Public Safety, the Department of Taxation, the Board of Education and others.

What is the staff's recommendation on replacement equipment shown in decision unit E-710?

E-710 Replacement Equipment – Page CULTURAL AFFAIRS-69

Ms. DIGGINS:

Staff recommends approval of module E-710, but suggests the Committee may stipulate the replacement equipment not be purchased if the projected revenues do not materialize and the reserve level is not sufficient to support the purchase.

SENATOR BEERS MOVED TO CLOSE BUDGET ACCOUNT 101-1055 WITH THE UNDERSTANDING A LETTER OF INTENT SHOULD BE PRESENTED ON A SEMI-ANNUAL BASIS BEGINNING JANUARY 1, 2008; AND THE REPLACEMENT EQUIPMENT SHOWN IN DECISION UNIT E-710 NOT BE PURCHASED IF THE REVENUE IS NOT SUFFICIENT.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:

We will now open the hearing on the Nevada Arts Council budget, B/A 101-2979.

Nevada Arts Council – Budget Page CULTURAL AFFAIRS-71 (Volume I)
Budget Account 101-2979

Ms. DIGGINS:

There are two major closing issues in this budget account. The first is the new accountant technician position. The Governor recommends General Fund appropriations in decision unit E-250 of \$41,950 in FY 2007-2008 and \$54,921 in FY 2008-2009 to support a new accountant technician in the Carson City office to provide accounting and fiscal support.

E-250 Working Environment and Wage – Page CULTURAL AFFAIRS-73

During the budget hearings, the agency testified that with a new accountant technician, it would be able to fully comply with the audit recommendations as the position would provide additional internal controls and levels of checks and balances required by federal and State reporting requirements. In addition, this position would allow the administrative assistant to focus on the responsibilities of that position rather than primarily focusing on grant awards and fiscal duties.

Based on the testimony and supporting information provided to staff, and the level of fiscal and grant award activity, this decision unit appears reasonable.

CHAIR RAGGIO:

Would this position become a State employee?

Ms. DIGGINS:

The first position is a new position. The second closing issue would be to convert a contract clerical position which has been on contract for approximately eight years as described in decision unit E-251. There is a concern from a legal standpoint; the duties, supervision and working hours required could qualify the position to be classified as a State employee.

E-251 Working Environment and Wage – Page CULTURAL AFFAIRS-74

CHAIR RAGGIO:

Is this a full-time position?

Ms. DIGGINS:

It is currently a half-time position. The recommendation is to convert the position to a full-time State employee. The other justification for converting this position to full time is it will also become the full-time receptionist for the new Cultural Affairs Resource Center at Lorenzi Park.

Based upon information provided by the agency, the conversion of this position to a full-time, State-classified employee appears to be justified.

Under other closing items, budget amendment 40 was submitted to eliminate the Attorney General and Statewide Cost Allocation Plan (SWCAP) cost allocation increases of \$8,959 in FY 2007-2008 and \$15,827 in FY 2008-2009. In addition, \$2,984 in SWCAP cost allocations included in the Base Budget is also removed. Staff notes the funding source for these costs is designated as grant funding in category 29 and cannot be used to pay for administrative costs.

Pursuant to the Governor's budget recommendation, this budget account also proposes to eliminate \$17,694 in FY 2008-2009 in grant funding. This is also recommended to be restored by information staff has just recently received.

CHAIR RAGGIO:

Mr. Clinger, do you agree with this?

MR. CLINGER:

Yes.

MR. GHIGGERI:

Is this another account which will need to be coordinated with the new Las Vegas Springs Preserve move issue?

MR. SISCO:

Yes. The Arts Council and the Records Center both have rent which they are paying elsewhere and they will need to be coordinated with the Las Vegas Springs Preserve if we make any changes to the opening date since they are moving into Lorenzi Park.

SENATOR BEERS MOVED TO APPROVE BUDGET ACCOUNT 101-2879 WITH THE RESTORATION OF \$17,694 IN GRANT FUNDING; TO APPROVE THE NEW ACCOUNTANT TECHNICIAN POSITION IN DECISION UNIT E-250; TO CONVERT THE POSITION IN DECISION UNIT E-251 TO A FULL-TIME STATE EMPLOYEE; TO UNDERSTAND THE AGENCY WILL WORK WITH THE LCB FISCAL STAFF TO COORDINATE THIS BUDGET WITH THE OPENING OF THE LAS VEGAS SPRINGS PRESERVE MUSEUM; AND TO GIVE STAFF THE ABILITY TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR RAGGIO:
There being no further business before the Committee, the meeting is adjourned
at 3:58 P.M.

RESPECTFULLY SUBMITTED:

Michael Bohling,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____