

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-fourth Session
April 17, 2007**

The Senate Committee on Finance was called to order by Chair William J. Raggio at 9:21 a.m. on Tuesday, April 17, 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

GUEST LEGISLATORS PRESENT:

Senator Michael A. Schneider, Clark County Senatorial District No. 11
Senator Joyce Woodhouse, Clark County Senatorial District No. 5

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Larry L. Peri, Principal Deputy Fiscal Analyst
Michael Bohling, Committee Secretary

OTHERS PRESENT:

Laura Oki, Assistant Director, Elko-Lander-Eureka County Library System
Jeanette M. Hammons, Director, Elko-Lander-Eureka County Library System
Andrew Clinger, Director, Department of Administration
Larry Ruvo, Senior Managing Director, Southern Wine and Spirits of Nevada and
Founder of the Keep Memory Alive Foundation
Zaven Khachaturian, Ph.D., President and Chief Executive Officer, Lou Ruvo
Brain Institute
Jim Lendhart, M.D., Vice Dean of the University of Nevada School of Medicine
Charles Bernick, M.D., Associate Professor of Medicine and Chief of the Division
of Neurology, University of Nevada, School of Medicine
Peter C. Bernhard, Attorney, Bullivant Houser Bailey, Attorneys at Law
Tim Jones, Chairman, Nevada Arts Council and Associate Director, School of
the Arts, University of Nevada, Reno
Jason Craig
Elinor Bugli, President, Carson City Symphony Association
Monique Laxalt, Attorney, Law Offices of Dunlop & Laxalt
Rose E. McKinney-James, Clark County School District
Stephen McFarlane, Ph.D., President, Challenger Learning Center
Richard C. Simmonds, D.V.M., M.S., Emeritus Director, Laboratory Animal
Medicine, Nevada System of Higher Education

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James Johnson, Treasurer and Board of Directors Member, Challenger Learning Center

CHAIR RAGGIO:
Today, we have a bill for introduction.

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):
We have Bill Draft Request (BDR) S-1469, which was requested by the Senate Committee on Finance.

BILL DRAFT REQUEST S-1469: Makes an appropriation for equipment purchase to the Northern and Southern Music Therapy Programs. (Later introduced as [Senate Bill 558](#).)

SENATOR CEGAVSKE MOVED TO INTRODUCE BDR S-1469.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS BEERS, MATHEWS AND TITUS WERE ABSENT FOR THE VOTE.)

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CHAIR RAGGIO:
We will now begin the hearing on Senate Bill (S.B.) 270.

SENATE BILL 270: Makes an appropriation to the Division of State Library and Archives of the Department of Cultural Affairs for the operation of bookmobiles in rural counties. (BDR S-259)

SENATOR RHOADS:
Every session, I introduce this bill to help the bookmobiles. Contrary to what many believe, there are still many rural schools which have no libraries. It is my understanding this was originally appropriated for \$40,000 and was later reduced by the Governor to \$20,000.

LAURA OKI (Assistant Director, Elko-Lander-Eureka County Library System):
The bookmobile serves approximately one-third of the State in our area. We serve Lander, Eureka, White Pine and Elko Counties. We serve 13 rural schools, 2 of which are one-room schools. We also serve three honor camps, Indian reservations and many rural communities. To many people we are a lifeline, since they have no other way to receive educational, informational and recreational materials.

JEANETTE M. HAMMONS (Director, Elko-Lander-Eureka County Library System):
In 1976, there was a demonstrated need for the bookmobile program to provide basic library services to the people of rural Nevada due to their livelihood, which is mostly ranching, and the long distances involved. In the northeastern corner of Nevada, you can travel for an hour and not see anyone.

This is, and has been, a cooperative program with federal, State and county governments and we are asking for assistance to meet the continuing operational costs of this program.

For further information about the bookmobile program, please read our handout titled "Northern Nevada Regional Bookmobile" ([Exhibit C](#), original is on file in the Research Library), and handout titled "Cooperative Libraries Automated Network" ([Exhibit D](#)).

CHAIR RAGGIO:

How does the \$50,000, which is being considered for an appropriation in this bill, relate to the budget?

Ms. OKI:

To keep the bookmobile on the road, we need funds for operational, fuel and salary costs.

CHAIR RAGGIO:

We approved onetime funding of \$50,000 in 2005. The Governor's proposed budget is just under \$78,000 a year in the Base Budget, plus an additional \$40,000 a year as an enhancement, totaling just under \$118,000. Actual expenditures in fiscal year (FY) 2005-2006 were under \$103,000, the budgeted amount for FY 2006-2007. Each year, \$20,000 is tentatively targeted as a potential budget reduction. As you are aware, the Governor has requested some budget reductions, and we are unsure what cuts will be necessary.

SENATOR RHOADS:

If last year's budget was \$103,000, the question becomes whether or not you can operate the bookmobile on \$83,000.

Ms. OKI:

The information we have provided is only for Elko County. There are actually three bookmobiles eligible to receive these funds.

CHAIR RAGGIO:

We will have staff work to ensure the funding is sufficient for these purposes.

We will now open the hearing on S.B. 344.

SENATE BILL 344: Makes an appropriation to the Lou Ruvo Brain Institute.
(BDR S-1233)

ANDREW CLINGER (Director, Department of Administration):

This is a one-shot appropriation, included in the Governor's budget, of \$10 million to the Lou Ruvo Brain Institute.

LARRY RUVO (Senior Managing Director, Southern Wine and Spirits of Nevada and Founder of the Keep Memory Alive Foundation):

In 1992, my father was showing signs of a medical problem. After visiting countless doctors in Las Vegas, he was diagnosed with either a heart problem, a stroke, a carotid-artery problem or a hearing problem. After several more spinal taps, we still did not know the problem. I went to an Alzheimer's specialist in California, since there were none in Nevada, and in less than one hour, he was diagnosed with Alzheimer's disease.

Since then, the mission and goal of my life has been to assemble the greatest doctors on the planet and bring them to Nevada, and I have been successful. We have generated over \$100 million in donations, broke ground last month on

a building designed by an internationally renowned architect, and today, we are speaking to you about doctors and the phenomenal physicians we are bringing to our State.

Doctors like Paul Greengard, Ph.D., Nobel Laureate from Rockefeller University, and Ron Peterson, M.D., former President Reagan's doctor, staff our advisory board. Virginia M.Y. Lee, Ph.D., and John Q. Trojanowski, M.D., Ph.D., both from the University of Pennsylvania, also staff the advisory board. Nancy S. Wexler, Ph.D., who discovered the gene for Huntington's disease, and Anne Young, M.D., Ph.D., from Harvard University, are also on our advisory board.

To my knowledge, we have never had a Nobel Laureate involved in the medical field in Nevada. We have the opportunity to have a leader, Zaven S. Khachaturian, who has given up his office in Washington D.C., and his farm in Virginia to move to Nevada and become our leading authority on this disease.

Our foundation, Keep the Memory Alive, needs our State to send a message and be a leader in health care. Federal funding agencies need to see Nevada's commitment. Without your commitment, we will see no federal funding.

We have been told, through the last three Legislative Sessions and two Governors, how important private and State partnerships are. In most states, these are normally a 50/50 split. We are not even 90/10. We need this Committee to authenticate our mission and take Nevada to the next level.

Today, Dr. Charles Bernick from the University of Nevada, School of Medicine (UNSOM) in Las Vegas, is with us. If you call his office, it will take you four months to get an appointment in Las Vegas and five months in northern Nevada. Our vision for the Lou Ruvo Brain Institute covers Amyotrophic Lateral Sclerosis (ALS), Huntington's disease, Parkinson's disease, Alzheimer's disease and memory disorders.

No one has ever assembled these types of doctors together in one facility. This is so important, our neighboring state of California has offered funding and a group of business leaders, headed by Mr. Michael Milken, if we were to bring this project to California. It is staying in Nevada. I have lived in Nevada all of my life and the project will stay here.

I see our UNSOM using this building and catapulting into the national spotlight. With the quality of our physicians, our medical school will be on par with the Memorial Sloan-Kettering Cancer Center and the University of Texas M.D. Anderson Cancer Center in becoming the number one facility for the treatment of ALS, Huntington's, Parkinson's and Alzheimer's. Our success is your success. Our State will not be living history, we will be writing history.

We are going to provide a debt-free, 100-percent paid-for building by a famous architect, Mr. Frank Geary, to the UNSOM. These are the greatest physicians in the world. People who have helped us on this project include former and current Presidents and First Ladies. It is a big step for our State to have the equivalent of a Sloan-Kettering, M.D. Anderson or Mayo Clinic type of facility.

Now, you will hear from Dr. Zaven Khachaturian. He comes to us as the former head of the Department of Aging for the National Institutes of Health (NIH) and the former head of the Alzheimer's Association Ronald and Nancy Reagan Research Institute.

CHAIR RAGGIO:
When is the center likely to be completed?

MR. RUVO:
We broke ground on February 9, 2007, and anticipate 18 to 20 months for completion.

CHAIR RAGGIO:
Will this be a turn-key operation when it is turned over to the UNSOM?

MR. RUVO:
Yes.

ZAVEN KHACHATURIAN, PH.D. (President and Chief Executive Officer, Lou Ruvo Brain Institute):

My written testimony is contained in the spiral-bound book about the Lou Ruvo Brain Institute which you have all received ([Exhibit E](#), original is on file in the Research Library). Due to time constraints, I will only make a few remarks to emphasize the magnitude of the problem we are trying to solve.

The mission of the Lou Ruvo Brain Institute is to address a growing public health problem due to the aging brain and the increasing prevalence of memory disorders. The problem has three elements; the increasing number of people who will be afflicted with one form or another of a memory disorder, the rising cost and the increasing duration of the disability.

With life extension moving beyond the ninth decade, if a person gets dementia at age 60, they are looking at 40 years of disability. Those three elements, the increasing number, increasing costs and increasing duration, are the key reasons we want to solve this disease.

Nevada has a particular problem since it has the highest- and fastest-growing segment of the 65- and over-age group. The prevalence of the disease has grown by 200 percent in the last few years. Added to Nevada's problems, in terms of this disease, is the problem of inadequate medical and social services. The intent of the Lou Ruvo Brain Institute is to address this Katrina of public health. The goal is to find ways to detect the disease early and either prevent the disease or delay the onset of the symptoms.

In my written material ([Exhibit E](#)), I have provided some statistics which show if we can delay the onset of the symptoms for as little as five years, we can reduce the numbers and the cost by half. This is the crux of what we are attempting to accomplish in creating this Institute.

The programs of the Institute will serve all of Nevada, not only Las Vegas. It will consist of providing better diagnostic care, treatments and other services. The research will focus on identifying early markers of the disease and developing treatments which would focus on prevention. It will have educational and other activities. One item we have identified in this project is the Nevada Vital Aging

initiative which is designed to address keeping a large number of baby boomers from getting the disease.

Yesterday's *Washington Post* featured an article showing dementia-care costs worldwide reached \$315 billion in 2005. This will be a problem a few years from now when none of the health-care systems will be able to address this cost.

All of these programs will be done in partnership with the UNSOM and the University of Nevada Health Sciences System. We have already begun to establish this partnership. We are also forming partnerships with other elements throughout the State. We hope to revolutionize how health care is delivered by utilizing technology-based health care. We have begun to form partnerships with various companies like GE Healthcare, Pfizer Global Pharmaceuticals and many other companies.

The name of the game for the Institute is to leverage all possible existing resources, form partnerships and address the problem of the growing number of elderly in a systematic approach. In this sense, we hope to create an international facility where we will be leapfrogging the problems the rest of the country is facing. The model we create, in terms of delivery of health services and developing treatments, will make Nevada the leader in these fields.

None of the funds from the State will be used for brick and mortar. All State funds will be utilized for programs that are described in the budget breakdown within the written material you have received ([Exhibit E](#)).

CHAIR RAGGIO:

We appreciate this compilation. Dr. Khachaturian, all of your written testimony will be entered into the record as well.

JIM LENDHART, M.D. (Vice Dean of the University of Nevada, School of Medicine):

I come to you as a family physician of 28 years, a member of the faculty of the University of Nevada for 10 years, the vice dean of the UNSOM and the special assistant to Chancellor Jim Rogers for the University of Nevada Health Sciences System during this Legislative Session.

The testimony before mine has established the importance and critical nature of this project as well as the extraordinary expertise which will come to our State as a result.

I would like to address the benefit to the University of Nevada Health Sciences System and the UNSOM. This public/private partnership will revolutionize the way health-care education, research and services are provided throughout our State by virtue of the national and international reputations of those individuals who are attracted to the Lou Ruvo Brain Institute. It will bring world-class scientists, world-class educators, world-class physicians and other health care professionals to Nevada, thereby augmenting the faculties of the University of Nevada, Las Vegas (UNLV), the University of Nevada, Reno (UNR), the UNSOM and the community colleges throughout our State.

This project has the opportunity to clearly demonstrate improved care statewide. It makes possible significant federal funding which has never before

been available to the UNSOM and other Nevada System of Higher Education entities.

This is an extraordinary public/private partnership and I urge you to vote favorably on S.B. 344.

CHAIR RAGGIO:

I should have indicated none of the bills we are hearing will be voted on today. They all have budget implications and there will not be a vote by the Committee.

CHARLES BERNICK, M.D. (Associate Professor of Medicine and Chief of the Division of Neurology, University of Nevada School of Medicine):

Over the past 13 years with the university, I have worked with the Aging Services Division of the Department of Health and Human Services to develop a network of care for people with Alzheimer's disease throughout the State. There is a tremendous amount of need for these services. I cannot tell you how many times we see patients and families who are on their way to nursing-home placement. This will be an expense to the State in Medicaid monies. With appropriate care, these people could be kept out of nursing care facilities and could function better at home.

This appropriation will allow us to expand our programs, staffing, see more patients and offer more services. We can train community physicians on the high standard of care for afflicted patients. If you have a family member with one of these disorders, they can get the best care in the nation from the Lou Ruvo Brain Institute or one of its affiliates.

From my aspect, as a university researcher, having the infrastructure which would be provided by this funding will allow us to become competitive in receiving NIH funding and foundation grants. The funding from S.B. 344 will go a long way into the future to help Nevadans and raise the medical status of our State.

CHAIR RAGGIO:

I neglected to indicate to you and the previous testifiers that in order to facilitate any appropriations being sought for nonprofit entities, we will require either their existing or proposed budgets for the manner in which the appropriation will be utilized in connection with the budget.

PETER C. BERNHARD (Attorney, Bullivant Houser Bailey, Attorneys at Law):

I am the counsel for the Lou Ruvo Brain Institute. Among the group of board members, you will see many members who came to, or were born and raised, in Nevada. We now have Dr. Khachaturian coming to the State of Nevada, and he is bringing his colleagues with him. Dr. Khachaturian and his colleagues want to see Nevada support their efforts in helping them do good things for the State and make Nevada the primary place to study brain diseases and memory disorders.

SENATOR COFFIN:

As a person who has experienced a 36-hour day with one of my parents, I understand how this can happen. I do not know if my mother died of Alzheimer's disease or some related dementia. I am now 64 years old, and it would be good to know if I am at risk of having the disease.

CHAIR RAGGIO:

This was an excellent presentation, and your information was well prepared. At this time, we will open the hearing on S.B. 431.

SENATE BILL 431: Makes an appropriation to support the Nevada Arts Council.
(BDR S-458)

SENATOR MICHAEL A. SCHNEIDER (Clark County Senatorial District No. 11):

Before I introduce my bill to increase funding for the Nevada Arts Council, I need to disclose the fact my wife, Candy Schneider, has been on the Arts Council's Board for 12 years and has served as its chair. She has had 34 years in the arts doing work with the Getty Center, the John F. Kennedy Center for the Performing Arts and the National Endowment for the Arts. I bring this as firsthand knowledge of the arts which I have received through her.

The Nevada Arts Council is also here to ensure the role of the arts will continue to grow and play an ever-increasing part in the cultural development and educational experience of the citizens of Nevada. Passing S.B. 431 will assure the Arts Council may continue to achieve, today and tomorrow, what its enabling statute intended when it was written in 1967.

The arts work for Nevada by raising money, building facilities, employing workers, educating students and providing cultural experiences to populations beyond the ticket buyer. Public funding for the arts matters and makes a difference.

Today, the Nevada Arts Council receives 0.0125 percent of the State's General Fund appropriation. This is about 70 cents each year for each resident using the population figure of 2.5 million. I can guarantee the Arts Council has stretched the 0.0125 percent about as far as it can go.

Last year, the Arts Council provided more than 550 grants and services to support programs from Battle Mountain to Searchlight and from Reno to Henderson. Last year, every State dollar awarded through the Arts Council's Grants Program generated an average match of \$34.

The Nevada Arts Council is our State agency. We are proud of its 40 years of history and hard work to make Nevada a better place to live. I believe it is time for Nevada to commit \$1 per capita for the arts. If we were to commit \$2.5 million, with the average of a \$34 matching fund, we would reach \$85 million in funding for the arts.

Tourists who travel for the arts spend more money than tourists who travel for gambling. In Las Vegas, the arts community is so strong we have restaurants that are surrounded by art.

I would like to propose this amendment ([Exhibit F](#)), which calls for the State to fund arts at \$1 per capita. In FY 2007-2008, we have a population of 2.5 million people. Every following year, we would request the current population from the State demographer to receive \$1 in matching funds so the arts can grow with the State.

CHAIR RAGGIO:

We will accept the proposed amendment.

SENATOR JOYCE WOODHOUSE (Clark County Senatorial District No. 5):

I am appearing in support of S.B. 431. The Nevada Arts Council is the only source for public funds for nonprofit arts organizations and activities in Clark County and in Las Vegas, our State's largest city. These public dollars are used to leverage private dollars and to ensure access to quality arts experiences for all. This support is paramount to providing opportunities and experiences in the arts for our children and adults alike.

I would like to share some statistics with you, illustrating how important the grants from the Nevada Arts Council are. During FY 2005-2006, the Arts Council awarded 98 grants to 84 arts organizations, public institutions, cultural groups, schools, educators, artists and arts administrators in Clark County.

Grants awarded to nonprofit organizations and public institutions in Clark County totaled \$346,179 and funding requests exceeded \$545,000. Even with the 1:1 or 3:1 cash match for most of the grants, the leveraged money from the private sector was in the millions of dollars.

Individual artists, educators and arts administrators received 28 grants for a total of \$38,580. Requested grant funding was \$62,488.

Free workshops and public activities by artists were presented in schools and public settings which were coordinated by Arts Council, Folklife and Art Services programs. Dozens of technical assistance activities and site visits, ranging from consultations to school meetings and seven major events, were sponsored by the Arts Council and facilitated by agency staff.

During its first full year, the Nevada Touring Initiative delivered and installed six remarkable visual arts exhibits and accompanying educational materials to three cultural centers for a low fee of \$100 each. Requests have quadrupled each year.

To set the numbers aside for a moment, I would like to share the value of one program out of the many I have had the honor to assist with: the Las Vegas Philharmonic Youth Concerts in southern Nevada. This program offers live music performances to tens of thousands of fourth- and fifth-grade students. This past year, due to the increased need, growth and interest, the Philharmonic increased the number of performances and we still could not meet the demand. These concerts open the door for students to learn about musical instruments, what their sounds are, the movements in music, the joy of listening to quality musical productions and kindle the desire to play an instrument. Our world will be a better place for the love of music in their lives.

Your continued support of the Nevada Arts Council through S.B. 431 would increase the number of programs and services offered to all Nevada communities across the State.

CHAIR RAGGIO:

I believe I speak for all of the members of this Committee who appreciate the value of the programs of the Nevada Arts Council. Probably every member of the Senate Committee on Finance, and probably every member of the Legislature, is affiliated in some way with programs in our own individual communities which receive these grants. I am particularly pleased when

I receive letters of appreciation from the various programs and groups receiving this type of funding. It is one area in which we receive letters of acknowledgement and I commend the Council. We like to know how these grants are used and the letters are informative.

If other advocates of this bill have written testimonies, please keep your verbal testimony brief and we will add your written testimony to the record.

TIM JONES (Chairman, Nevada Arts Council and Associate Director, School of the Arts, University of Nevada Reno):

I will touch on the highlights of my written testimony ([Exhibit G](#)). I know you have been hearing from our citizens around the State about Arts 4 Nevada, which is a grassroots campaign organized by three independent arts advocacy groups and the board of the Arts Council, in support of this additional 30 cents for each person for arts in our State.

Not only are these funds critical to our State's economy, arts education and quality of life, they also bring to life 35 of the 86 historic buildings which receive State funding through the Commission for Cultural Affairs.

We have some brief statements from citizens who wish to testify about the importance of new funding for the Arts Council.

CHAIR RAGGIO:

There is no question of the worth of this program. Our problem this Session is limited funding. As everyone has read, our revenues are not what we anticipated so we will have problems with budgeting and where we can allocate funding.

JASON CRAIG:

My name is Jason Craig; I am 13 years old and live in Reno, Nevada. I am also the U.S. Junior National Freestyle Kayak Champion. I will discuss some of the highlights of my written testimony ([Exhibit H](#)). I went to the Creative Performing Arts Center (CPAC) for two years. The center provides an outlet for kids and serves hundreds of students seven days a week. The kids and teachers at the CPAC are of all different races and different economic backgrounds. It provides a place where kids can focus on dancing, theater and music.

The CPAC gives us a great place to meet. Not only is it a safe place to take classes, it is also a safe place to get away from drugs. We formed a kids' dance company called 724. The highlight of our year is the annual Artown festival. The CPAC gives us focus and each of us could see our dreams. We all support each other. Some kids needed support going through family problems, and one teenager needed support just to learn how to read. Another girl traveled all the way to Japan to compete in an international dance competition.

My years at the CPAC gave me focus, self confidence and made me comfortable with movement. Most importantly, I met people who use their passion and creativity to make a difference in the world.

The funding that the Nevada Arts Council has provided for the CPAC, and festivals like Artown, are critical to the State. I hope you see the need to support the Nevada Arts Council and increase their funds by 30 cents for each Nevada resident. I promise you, I, and many other kids like me, will return \$1 of

greatness to our State if you are able to increase funding for the arts through S.B. 431.

CHAIR RAGGIO:

I am impressed with your accomplishment of becoming the Junior National Freestyle Kayak Champion.

ELINOR BUGLI (President, Carson City Symphony Association):

I am the president of the Carson City Symphony Association, an officer of the Brewery Arts Center and the Mile High Jazz Band Association. I will read some points from my written testimony ([Exhibit I](#)).

I have seen how these programs enhance the prosperity and stature of the communities they are in and how they accomplish so much with the help of the Nevada Arts Council.

Carson City schools have music programs, but they do not have strings or orchestra in their curriculum. Two years ago, with the help of start-up funds from the Nevada Arts Council, the Carson City Symphony began an after-school strings program which included beginner violin instruction starting with second grade students. We hoped to have 50 students enroll in our pilot year and were surprised to have 80. We had to add an extra class.

Parents are now preregistering their preschool-aged children years in advance since they see how the music experience positively affects students' academic and social skills.

Our community hungers for arts and cultural opportunities. The Nevada Arts Council, through their grants and services, helps to launch these programs and keeps them flying. The benefit is not to the organizations that receive money, but to the Nevadans they serve and the community at large.

With our growing population, we need the additional funding. On behalf of the Nevada community, I urge you to support S.B. 431.

MONIQUE LAXALT (Attorney, Law offices of Dunlop & Laxalt):

You have my written testimony ([Exhibit J](#)) which I will briefly expound upon. This is the 50th anniversary year of the publication of my father, Robert Laxalt's first book, *Sweet Promised Land*. This is the book for which he is most known and the work of art that, in many ways, captures the soul of Nevada. The book was written when he was a young man in his early thirties, with a day job, a marriage to keep thriving, two children to support and a third one on the way. He had an early knowledge of the value of art and its critical role in the development and identity of a culture.

Today, in considering the welfare of Nevada's people, those principles hold true. I would encourage this Committee's support of S.B. 431. The Chair mentioned the issue of assigning priorities to limited revenue and this limited added investment in the arts is one of the best financial investments we can make.

ROSE E. MCKINNEY-JAMES (Clark County School District)

On behalf of the Nevada Arts Advocates, we view this as an economic development tool for our State in terms of the enhancement artists bring. They want an environment which is consistent with what they contribute. We know

it is a challenge, but we urge you allow the arts to play a significant role in this balance of allocations.

CHAIR RAGGIO:

I know everyone would like to say something in behalf of this bill, but I think you understand we have a limited opportunity this morning. There does not seem to be any lack of support; more of a lack of funding. I will enter all of your written testimony and this package of letters of support and artwork ([Exhibit K](#), original is on file in the Research Library) into the record.

We will now open the hearing on [S.B. 440](#).

[SENATE BILL 440](#): Makes an appropriation to the Challenger Learning Center of Northern Nevada. (BDR S-1437)

STEPHEN MCFARLANE, PH.D. (President, Challenger Learning Center):

With your permission, I would like to show a video ([Exhibit L](#), original is on file in the Research Library).

CHAIR RAGGIO:

How long is your presentation?

DR. MCFARLANE:

It is six minutes long. Every one of our board members is a volunteer and we have all put our own funds into the Challenger Learning Center program. We want to bring this program, which has a 20-year track record, to Nevada. These programs have become self supporting within three years or less. As we speak today, some high-school students who are part of this program are watching on the Internet. They go to the nearest Challenger Learning Center in Sacramento, California, which has a six-month waiting list.

CHAIR RAGGIO:

How many Challenger Learning Centers are there?

DR. MCFARLANE:

There are 57 in the U.S. as well as one in Canada, one in Great Britain and one opening this year in South Korea. It costs approximately \$1.5 million to bring the Center here and we are asking for \$100,000 to show State support and interest. A number of donors have indicated they will make donations if the State is willing to make a commitment. The kids you see in the first 60 seconds of the video are all from Nevada.

The programs have a number of components. It goes to the rural areas and works with teachers in all of the schools. The idea is to have the teachers prepare the youngsters for a visit. You may notice all of the centers in the video look alike. The \$825,000 we are raising goes to simulators of the International Space Station and Mission Control.

This program is integrated with the school districts in an attempt to turn kids on to learning math and science. It is not to make them astronauts, doctors or engineers but to turn them on to learning.

CHAIR RAGGIO:

Is there a proposal to work with the Desert Research Institute (DRI)?

DR. MCFARLANE:

Yes. We have an agreement with the DRI working with their research foundation. They have members who are on our board of directors. We have been working with them since the inception. Our handout, titled "Challenger Learning Center of Northern Nevada Milestones" ([Exhibit M](#)), shows our accomplishments over the past eight months. We have become incorporated and have a big fund-raising dinner coming up on April 30. We are taking another group of kids to Sacramento and have a group of VIPs getting together at the Nugget to help us kick off the program on April 29. Our other handout, titled "From Tragedy to Tribute" ([Exhibit N](#)), illustrates the genesis of the program.

CHAIR RAGGIO:

The Challenger Learning Center is obviously a worthwhile program and you have an impressive group of people on your board of directors. I am impressed there are so many sites throughout the country and internationally.

RICHARD C. SIMMONDS D.V.M, M.S. (Emeritus Director, Laboratory Animal Medicine, Nevada System of Higher Education)

Six and a half years of my U.S. Air Force career were spent with the National Aeronautics and Space Administration. I learned the power the space program has in stimulating student interest in science and mathematics. I contacted a colleague who was in the Air Force and involved in the Challenger Learning Center in San Antonio, Texas. They compiled a report ([Exhibit O](#)) which determined the Challenger Learning Center was identified as the most promising solution for promoting education in science, mathematics and technology in students. They believe the Challenger Learning Center is the best thing they have done in the San Antonio area for science and technology.

CHAIR RAGGIO:

Is this the report from the Brooks Aerospace Foundation?

DR. SIMMONDS:

Yes.

JAMES JOHNSON (Treasurer and Board of Directors Member, Challenger Learning Center):

I am privileged to be a part of this effort to do something worthwhile. I would like to emphasize the link we have forged with the DRI. As this program comes into existence, there will be compatible programs worked out between the Challenger Learning Center and the DRI. We will also be forming links with youth groups such as the Boys and Girls Clubs.

DR. MCFARLANE:

Our budget request is included on the "Challenger Learning Center of Northern Nevada Milestones" handout ([Exhibit M](#)). President Franklin Roosevelt said "We cannot build the future for our children, but we can build our children for the future," and one of the things the Challenger Learning Centers have done is to turn children on to learning to build them for the future.

CHAIR RAGGIO:

We will now close the hearing on S.B. 440.

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CHAIR RAGGIO:
There being no further business before the Committee, the meeting is adjourned
at 11:02 a.m.

RESPECTFULLY SUBMITTED:

Michael Bohling,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE:_____