

MINUTES OF THE
SENATE COMMITTEE ON FINANCE

Seventy-fifth Session
May 6, 2009

The Senate Committee on Finance was called to order by Cochair Bernice Mathews at 5:19 p.m. on Wednesday, May 6, 2009, 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 Bernice Mathews, Cochair
Senator Steven A. Horsford, Cochair
Senator Bob Coffin
Senator Joyce Woodhouse
Senator William J. Raggio
Senator Dean A. Rhoads
Senator Warren B. Hardy II

STAFF MEMBERS PRESENT:

Brian M. Burke, Principal Deputy Fiscal Analyst
Sarah Coffman, Program Analyst
Jeffery A. Ferguson, Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Heidi Sakelarios, Program Analyst
Michael Bohling, Committee Secretary

OTHERS PRESENT:

Anne Loring, Washoe County School District

COCHAIR MATHEWS:

We will begin the hearing with discussion on Assembly Bill (A.B.) 13. When we heard this bill, on May 2, 2009, the Washoe County School District voiced some concerns. They have an amendment to the bill.

ASSEMBLY BILL 13 (1st Reprint): Revises provisions governing expenditures by school districts for textbooks, instructional supplies and instructional hardware. (BDR 34-295)

SENATOR RAGGIO:

My suggestion, at the May 2 hearing, was to amend the bill to indicate newly available funding could not be used for salary and benefit negotiation purposes if a waiver is granted from the required minimum expenditure for textbooks, instructional supplies and instructional hardware.

ANNE LORING (Washoe County School District):

Senator Raggio has explained this amendment and its origin. We concur.

SENATOR RAGGIO MOVED TO AMEND AND DO PASS A.B. 13 AS
AMENDED.

SENATOR HARDY SECONDED THE MOTION.

SENATOR COFFIN:

During the May 2 hearing, Senator Horsford had an issue with the passage of this bill. Do we know if he supports the amended version?

SENATOR RAGGIO:

I am willing to defer my motion until Senator Horsford is available to vote if it is the will of the Committee.

SENATOR COFFIN:

I do not object to voting in favor of this bill; however, I would like to reserve the ability to change my vote on the Floor of the Senate if Senator Horsford's objections have not been addressed.

THE MOTION CARRIED (SENATORS HORSFORD AND WOODHOUSE WERE ABSENT FOR THE VOTE.)

COCHAIR MATHEWS:

We will now hear the closing of the Department of Personnel budgets.

SARAH COFFMAN (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee on General Government and Accountability has completed its review of the budget accounts (B/A) for the Department of Personnel and recommends the following closing actions.

In the Personnel budget, the Subcommittee recommends not approving the Governor's recommendation to provide assessment fees of \$19,790 each year to support a rate increase stipulated by the Master Services Agreement (MSA) contractor currently responsible for maintaining the Advantage-HR payroll system. Instead, the Subcommittee recommends internalizing the Advantage-HR payroll system which includes establishing an additional Department of Information and Technology (DoIT) programmer position dedicated to the Department of Personnel; providing the new DoIT programmer with one year of training by the MSA contractor in FY 2009-2010; and eliminating the MSA contractor support in FY 2010-2011. This recommendation requires an initial increase in funding of \$147,897 in FY 2009-2010; however, in FY 2010-2011, and each year thereafter, the Department of Personnel would realize \$52,851 in savings.

FINANCE AND ADMINISTRATION

PERSONNEL

Personnel – Budget Page PERSONNEL-1 (Volume I)
Budget Account 717-1363

The Subcommittee concurred with the Governor's recommendation to eliminate two vacant positions: a full-time administrative assistant III and a part-time compliance investigator II.

The State Unemployment Compensation budget is recommended to close; however, I received additional information today from the Department indicating they may need to increase unemployment compensation rates from 0.35 percent to approximately 1 percent. Staff recommends postponing the close of this budget.

State Unemployment Compensation – Budget Page PERSONNEL-9 (Volume I)
Budget Account 101-1339

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

Staff recommends postponing the closing of B/A 101-1339. If the Committee concurs, the Department of Personnel budget can be closed pursuant to the Subcommittee recommendation.

SENATOR RAGGIO MOVED TO CLOSE B/A 717-1363 AS RECOMMENDED BY THE SUBCOMMITTEE; AND TO DEFER ACTION ON B/A 101-1339.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED (SENATORS HORSFORD AND WOODHOUSE WERE ABSENT FOR THE VOTE.)

JEFFERY A. FERGUSON (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee for Public Safety, Natural Resources and Transportation developed recommendations for the budgets of the Tahoe Regional Planning Agency (TRPA) and Department of Conservation and Natural Resources (DCNR). The Subcommittee does not have a recommendation for the Forestry Conservation Camps budget at this time; it will be recommended for closing along with the Department of Corrections budgets.

The recommendations of the Subcommittee for the DCNR result in additional General Fund appropriations of \$293,706 in FY 2009-2010 and \$306,679 in FY 2010-2011. The Subcommittee's recommendations are neutral regarding the TRPA with respect to General Funds.

The first item for discussion is the DCNR Administration budget. The Subcommittee approved the Governor's recommendation to eliminate two vacant positions, an accounting assistant and an executive assistant, held open during the 2007-2009 biennium. This provides General Fund savings of \$251,998 over the biennium. The Subcommittee approved the Governor's recommendation to reclassify the existing administrative services officer (ASO) IV to an ASO II, providing General Fund savings of \$251,932 over the biennium, as well as to reclassify a management analyst to a public information officer. The Subcommittee also approved Budget Amendment No. 62, which adjusts internal cost allocation transfers with the State Environmental Commission account.

INFRASTRUCTURE

CONSERVATION AND NATURAL RESOURCES

DCNR - Administration – Budget Page DCNR-1 (Volume III)
Budget Account 101-4150

The next item is the Heil Wild Horse Bequest budget. The Subcommittee approved the Governor's recommendation to allow the Commission for the Preservation of Wild Horses to sunset at the end of FY 2009-2010 as funds from the Heil Wild Horse Bequest will expire at that time. The Mustang Heritage Foundation, which is a national marketing and adoption foundation created with the assistance of the Commission, will continue to address wild horse adoption issues beyond FY 2009-2010.

DCNR - Heil Wild Horse Request – Budget Page DCNR-9 (Volume III)
Budget Account 607-4156

COCHAIR MATHEWS:
How long will the funding in this account last?

MR. FERGUSON:
Enough remains in the account to fund the Commission for the Preservation of Wild Horses to FY 2010-2011.

MS. COFFMAN:
The next item is the Tahoe Regional Planning Agency account. The Subcommittee approved \$133,000 in General Fund appropriations and fund transfers of \$67,000 each year from the Department of Motor Vehicles (DMV) Pollution Control account to continue support for the Pathway 2007 Regional Plan and threshold monitoring. In addition, the Subcommittee approved the Governor's recommendation to include the \$200,000 contribution for the Pathway 2007 Regional Plan in the Agency's Base Budget in future biennia, to be funded with any combination of General Fund appropriations and other revenue sources as recommended by the Governor.

The Subcommittee also recommends increasing fund transfers from the DMV Pollution Control account by \$256,640 each year in support of additional air quality threshold monitoring. The additional fund transfers recommended by the Subcommittee increase Nevada's apportioned share, relative to California's apportioned share, from 25 percent, as recommended by the Governor, to 30 percent. This is 3.3 percent less than the full one-third share historically provided to the TRPA by Nevada.

The Subcommittee approved the Governor's recommendations to reduce General Fund appropriations by \$233,514 each year by eliminating a senior planner position, a management support technician, training expenditures and information technology (IT) system maintenance expenditures.

DCNR - Tahoe Regional Planning Agency – Budget Page DCNR-15
(Volume III)
Budget Account 101-4204

MR. FERGUSON:

The next item is the Forestry budget. The Senate members of the Subcommittee did not approve the Governor's recommendation to eliminate the southern regional forester position, requiring additional General Funds of \$64,760 in FY 2009-2010 and \$65,227 in FY 2010-2011. The Assembly members voted to approve elimination of the position. The Subcommittee recommended closing the remainder of the Forestry budget as recommended by the Governor, including the elimination of the equipment mechanic II position in the northern regional office, and the conservation staff specialist II position in the Division's central reporting unit, providing General Fund savings of \$69,698 in FY 2009-2010 and \$68,142 in FY 2010-2011. The conservation staff specialist II position served as the Division's mutual aid coordinator; however, a new position approved by the Interim Finance Committee (IFC) for the Division of Emergency Management in April 2009 will assume the statewide mutual aid coordinator duties.

DCNR - Forestry – Budget Page DCNR-21 (Volume III)
Budget Account 101-4195

The Subcommittee approved General Funds of \$110,000 in FY 2009-2010 for high-priority deferred maintenance projects identified in a facility condition analysis performed by the State Public Works Board. The Subcommittee also approved the Governor's recommendation to transfer three seasonal helitak positions and associated funding from the Forestry Conservation Camps budget to the Forestry budget, thereby allowing all helitak operations to be handled through the Forestry budget.

SENATOR RAGGIO:

What are helitak operations?

MR. FERGUSON:

Helitak operations relate to the helicopter fire-suppression crews.

SENATOR COFFIN:

We opposed the budget because of the elimination of the southern regional forester position. Where will the mutual aid coordinator position be based?

MR. FERGUSON:

I believe the position will be based in Carson City, but I am not positive. The position was approved in April for the budget of the Division of Emergency Management.

MR. FERGUSON:

The next item is the State Parks budget. The Subcommittee approved the Governor's recommendation to reduce the number of park regions from four to two; the western region will be absorbed into the northern region, and the eastern region will be absorbed into the southern region.

DCNR - State Parks – Budget Page DCNR-63 (Volume III)
Budget Account 101-4162

The Subcommittee did not approve eliminating 3 of the 13 positions recommended for elimination by the Governor, requiring additional General Fund appropriations of \$193,190 in FY 2009-2010 and \$194,685 in FY 2010-2011.

These three positions are: the park interpreter II at the Regional Visitor's Center in Panaca; the commissioned park supervisor I at Echo Canyon State Park; and the park ranger technician III at Fort Churchill State Historic Park, Buckland Station. The consensus of the Subcommittee was restoration of these three positions would allow the Division to keep these park facilities open year round and provide the minimum level of staffing needed to carry out its duties and responsibilities to the public, including customer service and emergency response.

The Subcommittee did not approve the Governor's recommendation to eliminate the seasonal workforce at the Old Las Vegas Mormon Fort, resulting in a General Fund cost of \$53,949 in each year of the biennium. This will allow the park to be open seven days a week from 8:00 a.m. to 5:00 p.m., provide necessary park maintenance and the ability to conduct interpretive tours. The Subcommittee did not approve the Governor's recommendation to partially close seven State Park facilities: Dayton, Ward Charcoal Ovens, Beaver Dam, Dangberg Ranch, Lahontan, Sand Harbor boat ramp, and Rye Patch, at a total General Fund cost of \$3,368 in each year of the biennium. The Subcommittee approved the Governor's recommendation to temporarily close the Elgin Schoolhouse, the Walker Lake boat ramp, and the partial closure of a portion of Washoe Lake during low-usage months.

The Subcommittee did not approve the Governor's recommendation to eliminate 13 months of seasonal salary costs for three State Park facilities: 6 months at Mormon Station, 5 months at Kershaw-Ryan, and 2 months at Sand Harbor, at a General Fund cost of \$36,400 in each year of the biennium. Restoration of these seasonal salary costs will provide needed support to the remaining permanent staff for park operations. The Subcommittee approved the Governor's recommendation to eliminate seasonal salary costs related to the noxious weed program in the former Panaca region, providing General Fund savings of \$49,252 over the biennium.

The Joint Subcommittee on General Government and Accountability did not approve the Governor's recommendation to convert the Nevada State Tourism budget from a nonGeneral Fund budget to a General Fund budget. Based on this action, the Governor's recommendation to replace recurring transfers of lodging tax funds of \$509,131 in each year of the biennium from the Nevada State Tourism budget with General Funds was not approved by the Joint Subcommittee on Public Safety, Natural Resources and Transportation. The transfers of Tourism funds to the Division of State Parks will continue as they have historically.

The Subcommittee approved Budget Amendment No. 21, correcting an error in the *Executive Budget* which duplicates reduction of rent costs associated with the elimination of the Division's Carson Region headquarters, resulting in a General Fund cost of \$27,037 in each year of the biennium. Because the Division was able to purchase a new snowblower for the Wild Horse State Recreation Area in the current fiscal year, the Subcommittee removed this piece of equipment from the Division's budget, providing General Fund savings of \$9,000 in FY 2009-2010.

The Subcommittee recommended requesting a bill draft request (BDR), which is now A.B. 550, to establish a commercial wedding program at Valley of Fire State Park. A commercial wedding program was approved by the

2007 Legislature; however, it was not implemented because it required a fee increase to fund necessary positions and operating costs not supported by the Governor.

ASSEMBLY BILL 550: Requires the establishment of a commercial wedding program at the Boulder Dam-Valley of Fire State Park. (BDR 35-1309)

The next item is the Water Resources budget. The Subcommittee did not approve eliminating 7 of the 11.4 positions recommended for elimination by the Governor, requiring additional General Funds of \$434,652 in FY 2009-2010 and \$437,972 in FY 2010-2011. The Subcommittee noted the 2005 Legislature added 11 new positions for the Division to reduce the backlog of water rights applications and reports of conveyance, to conduct field investigations, and to create an Internet Website. The consensus of the Subcommittee was restoration of the seven positions is needed to keep backlogs at reasonable levels and to provide essential services related to water resources in Nevada. The seven positions restored by the Subcommittee include three engineering technician IIIs, two staff associate engineers, one professional engineer, and one IT professional. The Subcommittee also approved the Governor's recommendation to provide General Funds of \$171,600 over the biennium for maintenance and repair costs at South Fork Dam.

DCNR - Water Resources – Budget Page DCNR-82 (Volume III)
Budget Account 101-4171

MS. COFFMAN:

The next item is the State Lands budget. The Subcommittee approved the Governor's recommendation to eliminate a land agent II position and a land use planner II position for General Fund savings of \$136,708 in FY 2009-2010 and \$137,674 in FY 2010-2011. The Subcommittee also approved the Governor's recommendations to reduce travel and training expenditures; provide funding for replacement equipment; and to modify the funding source of a seasonal forester position from General Fund appropriations to Environmental Improvement Program (EIP) bond funds.

DCNR - State Lands – Budget Page DCNR-95 (Volume III)
Budget Account 101-4173

MR. FERGUSON:

The next item is the Nevada Natural Heritage budget. The Subcommittee approved the Governor's recommendation to fully fund the Agency's biologist III position with transfers from the Nevada Department of Transportation (NDOT), and the transfer of all fees generated from database sales to the NDOT at the end of each fiscal year. Currently, the biologist III position is funded with a combination of transfers from the NDOT and database sales fees; however, if fees collected are less than anticipated, funding for the position would be insufficient to cover all costs. The NDOT has indicated it supports this recommendation. The Subcommittee recommends issuing a letter of intent to memorialize the funding intent for this position and directing the Agency and the NDOT to enter into a formal agreement. The Subcommittee approved the Governor's recommendation to eliminate an environmental scientist III position, which is funded equally with General Funds and federal funds, thus providing General Fund savings of \$42,593 in FY 2009-2010 and \$42,843 in FY 2010-2011. This position was responsible for creating a

wetlands plan which has been completed. The federal funds in support of this position expire during FY 2008-2009.

DCNR - Nevada Natural Heritage – Budget Page DCNR-115 (Volume III)
Budget Account 101-4101

SENATOR RAGGIO:

I am unclear on the funding for the biologist III position. It is presently funded with transfers from the NDOT and database sales. The report indicated if the fees collected are less than anticipated, funding for the position would be insufficient. What formal agreement will the Agency and the NDOT be entering into with this letter of intent?

MR. FERGUSON:

Currently, the position is budgeted by the NDOT and database sales fees. The letter of intent would require the position to be funded 100 percent by the NDOT, and collected fees would be transferred to the NDOT at the end of each fiscal year.

SENATOR RAGGIO:

Will the NDOT become the guarantor for the position's funding?

MR. FERGUSON:

Yes. The next item is the Air Quality budget. Due to concerns with the relatively high reserve level recommended in the *Executive Budget*, the Subcommittee approved balancing the Governor's recommended salary and fringe reductions to air-pollution control fees rather than to reserves. This action reduces the budgeted reserve level in the Air Pollution Control account from \$1.15 million to \$751,508 in FY 2009-2010, and from \$1.66 million to \$744,488 in FY 2010-2011.

DCNR - DEP Air Quality – Budget Page DCNR-129 (Volume III)
Budget Account 101-3185

The next item is the Water Pollution Control Board budget. The Subcommittee approved Budget Amendment No. 63 to address the negative Base Budget reserve and the overall low reserve levels recommended in the *Executive Budget*. This budget amendment reduces Base Budget personnel costs equivalent to vacancy savings averaged over the past three years, reduces indirect cost allocation transfers, and eliminates the purchase of a replacement vehicle.

DCNR - DEP Water Pollution Control – Budget Page DCNR-136 (Volume III)
Budget Account 101-3186

The next item is the Mining Regulation/Reclamation budget. The Subcommittee approved the Governor's recommendation to add one new staff engineer III position, funded with reserve reductions. This position is needed to address the increased caseload due to the current high metals and commodities prices. In addition, this new position will allow the Agency to increase the number of mines inspected for reclamation.

DCNR - DEP Mining Regulation/Reclamation – Budget Page DCNR-152
(Volume III)
Budget Account 101-3188

The Subcommittee recommends closing the following DCNR budget accounts as recommended by the Governor with minor or technical adjustments:

DCNR - State Environmental Commission – Budget Page DCNR-13 (Volume III)
Budget Account 101-4149

DCNR - Forest Fire Suppression – Budget Page DCNR-35 (Volume III)
Budget Account 101-4196

DCNR - Forestry Inter-Governmental Agreements – Budget Page DCNR-50
(Volume III)
Budget Account 101-4227

DCNR - Forestry Nurseries – Budget Page DCNR-58 (Volume III)
Budget Account 257-4235

DCNR - Nevada Tahoe Regional Planning Agency – Budget Page DCNR-105
(Volume III)
Budget Account 101-4166

DCNR - Division of Conservation Districts – Budget Page DCNR-107 (Volume III)
Budget Account 101-4151

DCNR – DEP Administration – Budget Page DCNR-123 (Volume III)
Budget Account 101-3173

DCNR - DEP Waste Management and Federal Facilities – Budget Page
DCNR-142 (Volume III)
Budget Account 101-3187

DCNR - DEP - State Revolving Fund - Admin – Budget Page DCNR-158
(Volume III)
Budget Account 746-3189

DCNR - DEP Water Quality Planning – Budget Page DCNR-164 (Volume III)
Budget Account 101-3193

DCNR - DEP Safe Drinking Water Regulatory Program – Budget Page DCNR-171
(Volume III)
Budget Account 101-3197

DCNR - DEP Water Planning Cap Improvement – Budget Page DCNR-178
(Volume III)
Budget Account 101-4155

SENATOR WOODHOUSE MOVED TO CLOSE B/A 101-4149,
B/A 101-4196, B/A 101-4227, B/A 257-4235, B/A 101-4166,
B/A 101-4151, B/A 101-3173, B/A 101-3187, B/A 746-3189,
B/A 101-3193, B/A 101-3197, AND B/A 101-4155 AS RECOMMENDED

BY THE GOVERNOR; AND TO GIVE STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR HORSFORD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

SENATOR COFFIN MOVED TO CLOSE B/A 101-4150, B/A 607-4156, B/A 101-4204, B/A 101-4162, B/A 101-4171, B/A 101-4173, B/A 101-4101, B/A 101-3185, B/A 101-3186, AND B/A 101-3188 AS RECOMMENDED BY THE SUBCOMMITTEE; TO CLOSE B/A 101-4195 AND MAINTAIN THE SOUTHERN REGIONAL FORESTER POSITION; AND TO GIVE STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR HORSFORD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

SENATOR RAGGIO:

These actions result in additional General Fund appropriations of \$293,706 in FY 2009-2010 and \$306,679 in FY 2010-2011. Does this include the cost of retaining the southern regional forester position?

MR. FERGUSON:

Yes. The funding for the southern regional forester position is included in the totals you cited.

SENATOR COFFIN:

I would like to address the commercial wedding program at Valley of Fire State Park. The Subcommittee disagreed with the Governor's reasoning in not supporting this potentially profitable program because it required a fee increase. The Subcommittee recommended seeking a BDR establishing a commercial wedding program.

MR. GHIGGERI:

As Staff indicated, a BDR has been requested by the Assembly. The bill is A.B. 550.

HEIDI SAKELARIOS (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Joint Subcommittee on General Government and Accountability has developed the following recommendations for the Department of Cultural Affairs (DCA). The recommendations increase General Fund appropriations for the department by \$606,141 in FY 2009-2010 and \$1,030,007 in FY 2010-2011.

The first item is the Cultural Affairs Administration budget, B/A 101-2892. The Subcommittee approved the Governor's recommendation to eliminate a management analyst position within the director's office which has been vacant since November 2008. The Subcommittee also voted to approve the Governor's

recommendation to transfer an IT professional position and a program officer position from the Nevada State Library, B/A 101-2981, to the Administration account. The Subcommittee voted not to approve the Governor's recommendation to transfer an administrative services officer and an accountant technician from the Nevada Arts Council, B/A 101-2979, to the Administration account.

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

The Subcommittee voted not to approve the Governor's recommendation to eliminate funding for the Governor's Advisory Council for Education on the Holocaust and voted to restore revenue authority of \$40,000 in each year of the 2009-2011 biennium to retain the librarian at the Holocaust Library in southern Nevada. The Subcommittee directed the Department to seek stimulus funding or funds from other sources, such as the Department of Education.

The next item is Nevada Humanities, B/A 101-2894. The Subcommittee voted not to approve the Governor's recommendation to eliminate funding for Nevada Humanities during the 2009-2011 biennium. Instead, the Subcommittee voted to approve General Funds of \$50,000 in each year of the biennium for the southern Nevada office of Nevada Humanities.

DCA - Nevada Humanities – Budget Page CULTURAL AFFAIRS-9 (Volume I)
Budget Account 101-2894

The next account is the Lost City Museum, B/A 101-1350. The Subcommittee voted to approve the Governor's recommendation to reduce the hours of operation at the Lost City Museum, from 7 days a week to 4, and to reduce the work hours for 6 positions from full time to 32 hours per week. The Subcommittee voted to provide additional General Fund appropriations of \$5,000 in each year of the 2009-2011 biennium for adobe maintenance at the Lost City Museum.

DCA - Lost City Museum – Budget Page CULTURAL AFFAIRS-17 (Volume I)
Budget Account 101-1350

The next item is the Nevada Historical Society, B/A 101-2870. The Subcommittee did not approve the Governor's recommendation to close the public galleries at the Nevada Historical Society. The Subcommittee voted to restore the museum director and administrative assistant positions to 32 hours a week and to restore a privately-funded administrative assistant, assigned to the museum store, to full time. These restorations will allow the Nevada Historical Society to open both the public galleries and the research library four days per week.

DCA - Nevada Historical Society – Budget Page CULTURAL AFFAIRS-22
(Volume I)
Budget Account 101-2870

Two positions will be eliminated, as recommended by the Governor, and 5 additional staff will have their work hours reduced from 40 hours per week to 32 hours a week.

DCA – Nevada State Museum, Carson City – Budget Page CULTURAL
AFFAIRS-28 (Volume I)
Budget Account 101-2940

The next item is the Nevada State Museum, Carson City, B/A 101-2940. The Subcommittee approved the Governor's recommendation to reduce the hours of operation at the Nevada State Museum in Carson City from seven days per week to four days a week. In addition to reducing the hours of operation at the museum, the Governor recommended eliminating 5 positions and reducing the work hours for 16 positions from full time to 32 hours a week. The Subcommittee voted to restore one of the positions recommended for elimination, the curator of education, to 32 hours per week.

The Subcommittee approved the Governor's recommendation to transfer an accountant technician position from this account to the Division of Museums and History account, B/A 101-2941. The transfer will allow for the centralization of fiscal staff within the Division.

The next item is the Nevada State Museum in Las Vegas, B/A 101-2943. The Subcommittee voted to approve the Governor's recommendation to reduce the hours of operation at the Nevada State Museum in Las Vegas, at Lorenzi Park, from 7 days per week to 4 days a week, eliminate 4 positions and reduce the work hours for 12 of the remaining 13 positions from 40 hours per week to 32 hours a week. The one position not subject to a reduction in hours is the privately-funded position assigned to the museum store.

DCA – Nevada State Museum, Las Vegas – Budget Page CULTURAL AFFAIRS-
35 Volume I)
Budget Account 101-2943

General construction of the Nevada State Museum at the Las Vegas Springs Preserve is nearly complete. The revised Capital Improvement Program submitted by the Governor in April 2009 includes a project totaling \$6,046,523 for the fabrication and installation of permanent multi-media exhibits at the facility. Exhibit construction will take an estimated 13 months to complete; therefore, the museum is not expected to open to the public during the 2009-2011 biennium. The Subcommittee voted to approve the Governor's recommendation to eliminate the 12.02 positions approved by the 2007 Legislature to support the opening of the new museum; however, the Subcommittee voted to approve the Governor's recommendation to increase General Funds in each year of the biennium for utility costs at the facility, which must be maintained to avoid damage to the interior materials.

The next item is the State Railroad Museums, B/A 101-4216. The Subcommittee voted to restore the hours of operation at the East Ely Railroad Depot Museum to 4 days a week and to restore the museum director position to 32 hours per week. The Governor recommended closure of the museum during the 2009-2011 biennium and the elimination of two positions.

DCA - State Railroad Museums – Budget Page CULTURAL AFFAIRS-42
(Volume I)
Budget Account 101-4216

The Subcommittee approved the Governor's recommendation to reduce the hours of operation at the State Railroad Museum in Carson City from 7 days per week to 4 days a week, and to reduce staff by eliminating 3 positions and reducing the work hours for the remaining 9 positions from 40 hours per week to 32 hours. The Subcommittee voted to restore two of the positions recommended for elimination by the Governor, a railroad restoration specialist and a curator.

The Subcommittee approved the Governor's recommendation to eliminate 1 position at the Boulder City Railroad Museum and to decrease the work hours for the remaining 3 positions, from full time to 32 hours per week. The trains in Boulder City will continue to operate on Saturdays and Sundays only.

The next item is the State Historic Preservation Office budget, B/A 101-4205. The Subcommittee voted to approve a budget amendment to restore the site stewardship program utilizing federal Historic Preservation grant funds, totaling \$75,447 in FY 2009-2010 and \$74,728 in FY 2010-2011. This will result in a reduction in the funding available for other projects which would have been supported through the Historic Preservation grant during the 2009-2011 biennium.

DCA - State Historic Preservation Office – Budget Page CULTURAL AFFAIRS-48
(Volume I)
Budget Account 101-4205

The next item is the Comstock Historic District, B/A 101-5030. The Subcommittee did not approve the closure of the Comstock History Center as recommended by the Governor. The Subcommittee voted to restore both of the positions and the operating expenditures recommended for elimination by the Governor, allowing the center to remain open to the public four days per week. The museum attendant position will be restored at .51 full-time equivalent (FTE) and the administrative assistant will be reduced from .51 to .15 FTE.

DCA - Comstock Historic District – Budget Page CULTURAL AFFAIRS-56
(Volume I)
Budget Account 101-5030

The next item is B/A 101-2891, the Nevada State Library. The Subcommittee approved the Governor's recommendation to reduce the hours of operation at the Nevada State Library from eight hours per day, five days a week to four hours a day, five days a week. The Subcommittee voted to restore 4 of the 13.76 positions recommended for elimination by the Governor. The restored positions include two librarians and two administrative assistants.

DCA - Nevada State Library – Budget Page CULTURAL AFFAIRS-61 (Volume I)
Budget Account 101-2891

The Subcommittee voted to approve the Governor's recommendation to reduce funding by \$265,000 per year for collections development for local public libraries and to reduce funding by \$151,396 per year for extension services and publications and periodicals at the State Library during the 2009-2011 biennium.

As a result of the funding reductions in the Governor's budget, the State will not be able to meet its Maintenance of Effort (MOE) requirement for the federal Library Services and Technology Act (LSTA) grant and must apply for a waiver. If the waiver is not granted, the State's federal grant award may be reduced by up to \$454,397 in FY 2009-2010 and \$328,990 in FY 2010-2011. The Subcommittee considered options for restoring sufficient General Funds to this account to ensure the MOE requirement was met; however, it was cost prohibitive during the 2009-2011 biennium.

The next item is the Archives and Records account, B/A 101-1052. The Subcommittee voted to restore the public hours at the State Archives to 4 hours a day, 5 days per week; to restore the State Records Center to 8 hours a day, 5 days a week; and to restore 3 of the 3.45 positions recommended for elimination by the Governor. The restored positions include an archivist, an administrative assistant and a program officer. The restoration also includes the transfer of a supply technician position from the Nevada State Library account, B/A 101-2891. The position had been recommended for elimination by the Governor.

DCA - Archives and Records – Budget Page CULTURAL AFFAIRS-69 (Volume I)
Budget Account 101-1052

The next item is the Nevada State Library Literacy Office, B/A 101-2893. The Subcommittee voted to transfer the administrative assistant position, recommended for elimination by the Governor, from the Literacy account to the Nevada State Library account, B/A 101-2891, which will allow the administrative assistant to continue to provide support services to local literacy programs throughout the State. The Senate members of the Subcommittee took no action on the Governor's recommendation to eliminate the Nevada Literacy Office. The Senate members of the Subcommittee requested the closing of this account to be performed by the full Committee. The Committee may choose to approve the Governor's recommendation to eliminate the State Literacy Office, or the Committee may choose to restore the Office and the State Literacy coordinator position.

DCA - Nevada State Library - Literacy – Budget Page CULTURAL AFFAIRS-75
(Volume I)
Budget Account 101-2893

The next item is the account for Micrographics and Imaging, B/A 101-1055. The Subcommittee voted to approve the budget with the technical adjustments recommended by Fiscal Analysis Division Staff. Because the revenues in FY 2009-2010 are below projected levels and the Department indicates revenue is not projected to increase during the upcoming biennium, the revenue in this account has been reduced in each year of the 2009-2011 biennium. The reduction in revenue results in a reduction in the reserve level, reducing the reserve from the \$180,996 recommended in the Governor's budget to \$82,294. This may not be sufficient if the Agency experiences further revenue reductions. The Subcommittee recommends the issuance of a letter of intent requiring the Department to report to the IFC on a semi-annual basis on the revenue and expenditure data and the resulting impact on the reserve.

DCA - Micrographics and Imaging – Budget Page CULTURAL AFFAIRS-88
(Volume I)
Budget Account 101-1055

The next item is the Nevada Arts Council, B/A 101-2979. The Subcommittee voted to approve suspension of the Challenge grant program for the 2009-2011 biennium, as recommended by the Governor. The Subcommittee voted to restore General Funds of \$108,059 in FY 2009-2010 and \$101,681 in FY 2010-2011 for the grants programs administered by the Nevada Arts Council budget. This will increase the funding for these grants to nearly \$900,000 in each year of the biennium, rather than the \$784,815 in FY 2009-2010 and \$790,080 in FY 2010-2011, as recommended by the Governor. The Subcommittee also voted not to approve the Governor's recommendation to eliminate a cultural resource specialist position and an administrative assistant position or to reduce the work hours for another cultural resource specialist position from 40 hours per week to 32 hours a week. The Subcommittee voted not to approve the transfer of two fiscal staff positions from the Nevada Arts Council to the Director's Office account. The Subcommittee voted to approve other reductions recommended by the Governor, including reductions to in-State and out-of-State travel, operating supplies, and information technology expenditures.

DCA - Nevada Arts Council – Budget Page CULTURAL AFFAIRS-94 (Volume I)
Budget Account 101-2979

The following budgets were closed by the Subcommittee as recommended by the Governor or as recommended by the Fiscal Analysis Division with only technical adjustments:

DCA - Museums & History – Budget Page CULTURAL AFFAIRS-12 (Volume I)
Budget Account 101-2941

DCA - Nevada State Library - CLAN – Budget Page CULTURAL AFFAIRS-83
(Volume I)
Budget Account 101-2895

SENATOR RAGGIO:

These must have been difficult decisions for those who served on this Joint Subcommittee. The recommendations of the Subcommittee will result in increased General Fund appropriations of over \$600,000 in FY 2009-2010 and over \$1 million in FY 2010-2011. With respect to our actions, it troubles me these employees are being treated differently than all other State employees. What amount of funding would be necessary to restore the employees of the DCA to the same level of sacrifice as other State employees?

MS. SAKELARIOS:

The DCA provided a cost estimate of \$1.7 million over the biennium to restore the positions within the Division of Museums to 40 hours a week. This cost could be offset by approximately \$60,000 in admission-fee revenues from each of the State's museums, resulting in an overall fiscal impact of approximately \$1.6 million over the biennium.

SENATOR RAGGIO:

Would this allow these facilities to remain open for more than four days a week?

Ms. SAKELARIOS:

Yes. The DCA also provided a cost estimate of \$649,316 over the biennium to restore the hours of operation at the State Library and Archives to full time.

SENATOR RAGGIO:

Is this in addition to the \$1.6 million in funding required for the museums?

Ms. SAKELARIOS:

Yes. If the Committee wishes to restore the Division of Museums positions to 40 hours a week, it will require approximately \$1.6 million over the biennium in additional General Fund Appropriations. If the Committee wishes to restore the hours of operation at the State Library and Archives, it will require an additional \$649,316 in General Fund Appropriations over the biennium.

COCHAIR MATHEWS:

Restoring the positions and hours of operation at the Division of Museums and the State Library and Archives would require approximately \$2.3 million in additional funding.

SENATOR COFFIN:

At this point, I cannot support the actions of the Subcommittee. Some of these budgets provide access to our museums for the general public and some provide access to professionals for research purposes. Professionals have learned to use their time and resources efficiently to match the availability of services, but the general public cannot always do this.

MR. GHIGGERI:

The DCA was exempted from the one-day-a-month furlough requirement at the May 4 Joint meeting of the Senate Committee on Finance and the Assembly Committee on Ways and Means.

SENATOR COFFIN:

The DCA employees are facing a 20-percent reduction in their work hours. I would like to bring the DCA employees to an equivalent level of furlough as State employees and restore service to the public. We have not determined how much additional tax revenue can be raised and I am not inclined to surrender until that battle is lost. An acceptable solutions lies somewhere between zero and the \$2.3 million needed to fully restore services.

Ms. SAKELARIOS:

The information provided by the DCA was the cost to restore positions to 40 hours a week and does not deduct the savings from a one-day-a-month furlough. The figures would be slightly less if a one-day-a-month furlough were implemented.

COCHAIR HORSFORD:

These were agonizing decisions for members of the Subcommittee. We began with a funding reduction of nearly 40-percent to the DCA's budgets in the Governor's recommended budget. Because of our lack of options and limited resources from the American Reinvestment and Recovery Act of 2009 (ARRA),

we were faced with making difficult decisions. We met four or five times to discuss the DCA's budgets, and had to choose between balancing resources for programs, staffing levels and maintaining available services versus closing some libraries and museums altogether. We simply did not have the resources to further restore the DCA's budgets.

SENATOR RAGGIO:

Nevada will be receiving approximately \$72 million in ARRA funding for education and other purposes. Is other ARRA funding available to address our situation with the DCA budget shortfall?

MR. GHIGGERI:

The \$72 million in ARRA funding has been utilized to compensate for actions taken by the Legislature in other areas and is not available directly to add to the DCA budgets. I do not know if other ARRA funding is available.

SENATOR HARDY:

As a member of the Joint Subcommittee on General Government and Accountability, I concur with Senator Horsford's comments.

SENATOR WOODHOUSE:

Making these decisions was excruciating. If we could find additional funding, we would add back to the DCA budget to have the museums and Libraries and Archives open full time for the public to use.

SENATOR COFFIN:

We have not answered the question of how much revenue can be raised. The Subcommittee made a good effort in bringing the DCA budget from the disaster it faced to a level slightly above catastrophic. In its museums and libraries, the DCA serves as a light for us to discover what we do not know. These are discoveries this Committee, as well as our predecessors, deemed to be extremely important. If our actions allow our citizens to gain access to knowledge, we will have done much to avoid ignorance. I respect the members of the Subcommittee, but I cannot support these recommendations. We can do more.

MS. SAKELARIOS:

I would like to inform the Committee the Nevada Arts Council has received \$300,500 in ARRA funding. The Council retained \$50,000 within their budget for direct services and administrative costs. The remaining funding will be made available to local arts agencies to continue operations.

SENATOR RAGGIO:

How will this funding affect the Nevada Arts Council budget?

MS. SAKELARIOS:

The ARRA funding is not included in the General Fund totals.

SENATOR RAGGIO:

The Subcommittee voted to restore General Funds of \$108,059 in FY 2009-2010 and \$101,681 in FY 2010-2011 for the grants programs. Is this funding to be used for grant allocations?

MS. SAKELARIOS:

Yes. That funding is for the existing programs which are made available to arts organizations within the State. The ARRA funds are more focused in the manner in which they may be spent.

SENATOR RAGGIO:

The information provided by Staff indicates additional funding approved by the Subcommittee increases the funding for grants to nearly \$900,000 in each year of the biennium. Additionally, the Agency will net approximately \$250,000 from the ARRA funding. Will all of this be utilized for grant funding?

MS. SAKELARIOS:

Yes. The Subcommittee voted to restore funding for the grants programs in each year of the biennium to a total amount of approximately \$900,000. The ARRA funding is separate from that amount.

COCHAIR HORSFORD:

The ARRA funding has a criteria based on the preservation of jobs for the nonprofit agencies doing the work. The \$250,000 going to these agencies is for the preservation of jobs. The General Fund appropriations of \$900,000 each year is for grant programs.

SENATOR HARDY:

We had a long discussion about the amount of funding which would go toward grants versus the amount going toward personnel. I would have preferred to see more funding toward personnel. I lost that argument but I support the Subcommittee's decision.

SENATOR HORSFORD MOVED TO CLOSE B/A 101-2892, B/A 101-2894, B/A 101-1350, B/A 101-2870, B/A 101-2940, B/A 101-2943, B/A 101-4216, B/A 101-4205, B/A 101-5030, B/A 101-2891, B/A 101-1052, B/A 101-2893, B/A 101-1055, B/A 101-2979, B/A 101-2941 AND B/A 101-2895 AS RECOMMENDED BY THE SUBCOMMITTEE; AND TO GIVE STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR WOODHOUSE SECONDED THE MOTION.

MR. GHIGGERI:

Fiscal Staff will need the Committee's direction on B/A 101-2893. The Senate members of the Subcommittee took no action on the Governor's recommendation to eliminate the Nevada Literacy Office.

COCHAIR HORSFORD:

There was disagreement with the Assembly members of the Subcommittee and we should try to resolve our issues. My motion includes restoring the Office and the State Literacy coordinator position.

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

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SENATOR RAGGIO:

I voted no because I retain some hope we might restore funding to the DCA before we close all budgets.

COCHAIR MATHEWS:

There being no further business before the Committee, the meeting is adjourned at 6:29 p.m.

RESPECTFULLY SUBMITTED:

Michael Bohling,
Committee Secretary

APPROVED BY:

Senator Bernice Mathews, Cochair

DATE: _____