

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND THE
SENATE COMMITTEE ON FINANCE
JOINT SUBCOMMITTEE ON HUMAN SERVICES/CIP**

**Seventy-Sixth Session
May 31, 2011**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on Human Services/CIP was called to order by Chair April Mastroluca at 12:46 p.m. on Tuesday, May 31, 2011, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/76th2011/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman April Mastroluca, Chair
Assemblywoman Debbie Smith, Vice Chairwoman
Assemblyman David P. Bobzien
Assemblywoman Maggie Carlton
Assemblyman Cresent Hardy
Assemblyman Joseph M. Hogan

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Sheila Leslie, Chair
Senator Barbara K. Cegavske
Senator Steven A. Horsford

SUBCOMMITTEE MEMBERS EXCUSED:

Assemblyman Pete Goicoechea

STAFF MEMBERS PRESENT:

Rick Combs, Assembly Fiscal Analyst
Mike Chapman, Principal Deputy Fiscal Analyst
Rex Goodman, Principal Deputy Fiscal Analyst
Laura Freed, Senior Program Analyst
Eric King, Program Analyst
Carol Thomsen, Committee Secretary
Cynthia Wyett, Committee Assistant

Chair Mastroluca stated that the Subcommittee would review items for consideration regarding the 2011 Capital Improvement Program (CIP).

Eric King, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said there were nine items for review for the current work session. There had been approximately \$2.7 million added to the 2011 CIP recommendation in proposed reallocations from prior year CIP projects, plus the addition of approximately \$1.5 million in federal funds. Mr. King said the departments that had received the lion's share of those increases were the Department of Corrections (DOC), which proposed the reallocation of funds from the 2007 CIP and the Office of the Military for \$1.7 million, which had been proposed in the second amendment to the Governor's original recommendation.

Mr. King said the first amendment, which was received on February 24, 2011, proposed to consolidate nine maintenance projects for the Nevada System of Higher Education (NSHE) into an existing project, CIP project 11-M39, the Deferred Maintenance-Higher Education Capital Construction (HECC) and the Special Higher Education Capital Construction (SHECC) project. That amendment had not changed the level of funding recommended for NSHE or the 2011 CIP.

The second amendment, said Mr. King, was received on April 7, 2011, and proposed to reduce CIP projects 11-M30, 11-S04, and 11-C01 by a total of \$272,765. In addition to the reduction, the amendment recommended adding ten projects to the 2011 CIP. Because of the increases and decreases in projects, the amount reduced from the three aforementioned projects that would be reallocated to the ten new projects was \$264,562. Mr. King said the reductions and additions leveraged \$1,478,107 in federal funds, \$1,017,832 in Highway Funds, and \$539,149 in agency funds. The new projects

recommended to be added by the amendment included all projects using the "E" designation and CIP project 11-M04.

The third amendment, said Mr. King, which was received on May 20, 2011, proposed to add CIP project 11-M60 that would design and install new surveillance and recording equipment at Ely State Prison (ESP). The amendment proposed to reallocate \$2,683,208 in bond funds approved for CIP project 07-M48, surveillance cameras at Northern Nevada Correctional Center (NNCC) and Nevada State Prison (NSP), to the added project at ESP.

Mr. King said the next closing item dealt with the recommendation that had been included in the Governor's original 2011 CIP to cancel CIP project 09-C02a, a new 36-bed child and adolescent hospital at Southern Nevada Child and Adolescent Services. The amendment included \$11,580,458 in bond funds reallocated from the 2009 CIP to the 2011 CIP to add eight projects to the 2011 CIP. Mr. King stated the inclusion of those eight projects in the 2011 CIP was contingent upon the cancellation of CIP project 09-C02a.

By way of explanation, Mr. King stated that the 2009 Legislature approved \$22,808,171 in bond funds for CIP project 09-C02a for planning through construction of a 36-bed acute care psychiatric hospital for children and adolescents. A major consideration in approving that project was that the Centers for Medicare and Medicaid Services (CMS) had indicated to the state that children's acute inpatient services had to be provided in a wing or distinct part of a hospital rather than the current treatment method used by the state at the existing Desert Willow Treatment Center facility, which did not provide a separate area for acute inpatient services.

Mr. King said in September 2010 the Interim Finance Committee (IFC) received a request from the State Public Works Board (SPWB) and the Department of Health and Human Services (DHHS) to cancel CIP project 09-C02a. However, no action had been taken on that recommendation because IFC felt the 2011 Legislature could consider the project before the end of session.

Mr. King said the Subcommittee might wish to determine whether there was any threat from CMS to disallow the state's Medicaid reimbursements, which was one of the issues considered by the 2009 Legislature when it originally approved CIP project 09-C02a. Mr. King stated that the Governor's recommendation would cancel the project once the construction document phase had been completed, which would make available \$11,595,458 that could be reallocated to other projects included in the 2011 CIP.

Chair Mastroluca asked whether a representative from DHHS was present and could confirm that CMS would not take action to disallow the state's Medicaid reimbursements.

Rex Goodman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the Division of Child and Family Services (DCFS) had indicated during previous budget hearings that it did not foresee any adverse effects by continuing to provide the same type of services at Desert Willow Treatment Center. The DCFS had been advised that CMS required the separation of residential and inpatient treatment services, but CMS had taken no action to disallow Medicaid reimbursements for the services at Desert Willow. Mr. Goodman said the situation had become somewhat of a "waiting game" because CMS could declare that those services had to be separated at any time, but DCFS did not expect that to occur over the upcoming biennium.

Continuing his presentation, Mr. King said the next closing issue dealt with CIP project 11-M60, surveillance cameras and recording devices at Ely State Prison (ESP). On May 20, 2011, the Budget Division submitted a third amendment to the Governor's recommended 2011 CIP that added \$2,683,208 in state funds for design and installation of video monitoring and recording equipment in all common inmate areas and the visitor area at ESP. Mr. King said the recommendation included reallocation of \$2,683,208 in bond funding approved for CIP project 07-M48, surveillance cameras at Northern Nevada Correctional Center (NNCC) and Nevada State Prison (NSP), because of the planned closure of NSP.

Mr. King stated that installation of the surveillance equipment at ESP was intended to provide the benefits of improved inmate supervision, documentation of actual incidents that might be used in grievance and litigation resolution, as well as the addition of an inmate misconduct deterrent.

Mr. King noted that at the meeting of May 19, 2011, the Joint Committee did not approve the Governor's recommendation for \$300,454 in General Funds in fiscal year (FY) 2011-12 for the Department of Corrections (DOC) Director's Office, budget account (BA) 3710, to install a security surveillance system at ESP. Rather, the Joint Committee recommended that the surveillance improvements for ESP be included for consideration in the 2011 CIP.

According to DOC, said Mr. King, the recommendation that had been included for \$300,454 was to provide the minimum surveillance necessary for ESP while

minimizing the cost of the system. The Fiscal Analysis Division was concerned about the costs of the project recommended in CIP project 11-M60 versus the \$300,454 allowance that had been included in the Governor's recommendation for the Director's Office budget.

Mr. King noted that CIP project 11-M60 also included \$600,000 for remote site and security facility allowances, which accounted for approximately 29 percent of the project's estimated construction cost. Those allowances were intended to compensate contractors for travel costs to remote construction locations and the additional time necessary to access a secured facility. Mr. King said the Subcommittee might wish to ask whether either the remote site allowance or the secured facility allowance could be reduced. In addition, the project did not include the typical 2 percent to 4 percent inflation factors that were included in the majority of other projects in the 2011 CIP.

Chair Mastroluca asked Mr. Nuñez and Mr. Chimits to come forward and address the significant difference between the Governor's recommended project cost of \$300,454 and the estimate of approximately \$2.4 million submitted by the State Public Works Board (SPWB) in CIP project 11-M60.

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), indicated that Jeffrey Mohlenkamp, Deputy Director, Support Services, Department of Corrections (DOC), could speak to the specifics of the \$300,454 that had been requested in the Director's Office budget account upon his arrival at the hearing.

Mr. Chimits explained that the project included 220 fixed cameras and 15 PTZ (pan, tilt, and zoom) cameras; it was a comprehensive system that would address all areas within the institution. The current system at ESP was a cursory system that would provide surveillance until CIP project 11-M60 could be completed.

Chair Mastroluca asked whether DOC was concerned about safety because of the movement of inmates from one location to another or whether the opportunity had simply arisen to complete the project.

Mr. Chimits said the decision had been based on both those factors. An inmate at ESP had recently been found dead in his cell, and ESP was also experiencing difficulties because of transportation and movement. The DOC had wanted to install the appropriate surveillance and recording devices at ESP for quite awhile, and when it became clear that NSP would close, DOC asked SPWB to approach

IFC in September 2010 to reallocate the funding for surveillance and recording devices at NNCC and NSP to ESP.

Chair Mastroluca asked for information regarding the remote site and secured facility allowances, which apparently were standing costs for remote sites. However, the Subcommittee wondered whether the \$600,000 cost included in CIP project 11-M60 might be reduced because of the current state of the economy and the unemployment rate.

Mr. Chimits explained that SPWB was aware that the mining industry in the Ely area was operating at high levels, and there was a supply and demand issue in that area that differed from other areas of the state. The second phenomenon that SPWB was cognizant of was that as the economy worsened, more and more contractors dropped out of the bidding process, and where there had been 10 to 12 bids on a project, there had been a culling effect and now only 2 to 4 contractors bid on a project. Mr. Chimits indicated that had occurred not because most contractors were busy with private sector work, but because many companies had gone out of business. Because of the boom in the mining industry and because of supply and demand in the Ely area, SPWB felt that remote-site-funding should remain in the project.

Chair Mastroluca asked about the secured facility allowance. Mr. Chimits said work at a secured facility was completed in small increments while inmates were moved within the facility to allow for completion of the work. The increased costs were incurred because contractors had to use smaller crews to complete smaller projects each day because of the inmate staging that had to occur to facilitate the construction. Mr. Chimits indicated that it took more effort to manage projects within secured facilities by both DOC and SPWB. The remote site and secured facility allowances were included in the construction estimate for CIP project 11-M60 because of the financial impact on the contractor.

Chair Mastroluca stated that inflationary increases apparently had not been included in the recommendation to provide surveillance improvements at ESP, and she asked for clarification.

Mr. Chimits said the reason was that the costs for the project had been computed very recently. Most CIP projects were prepared more than one year in advance, but CIP project 11-M60 had been prepared in May 2011 and there was no need to include inflationary costs.

Chair Mastroluca stated that the Subcommittee would hear testimony from Jeffrey Mohlenkamp regarding the CIP project at ESP when he arrived at the hearing. The Chair asked Mr. King to continue his presentation.

Mr. King stated that CIP project 11-C01 addressed the Southern Desert Correctional Center (SDCC) core expansion, Phase III. Mr. King noted that at the April 12, 2011, Joint Subcommittee hearing, reservations had been expressed regarding funding the project at \$4,961,872 over the 2011-2013 biennium. The project would complete the core infrastructure at SDCC for the facility's maximum capacity of 2,000 inmates.

In response to follow-up questions regarding the effect of not approving CIP project 11-C01, said Mr. King, SPWB had cited ten safety issues referenced in Health Division reports dating to 2007, including refrigeration equipment that did not maintain the proper temperature because the equipment was at the end of its useful life, water that pooled in various areas of the culinary because of drain failures, and sewer lines that were failing because of the age and condition of the piping. Mr. King stated that in addition, SPWB noted additional life/safety issues related to SDCC's core expansion that included:

- Hot water and steam systems that failed and required extensive repairs, which left the laundry facility without hot water and steam to run the culinary equipment and laundry.
- Failure of existing culinary equipment and laundry equipment that ran 23 hours and 18 hours per day, respectively, which required food and laundry to be transported to/from High Desert State Prison.
- Dining operations that were not in compliance with the American Corrections Association safety and security standards, which required dining space of sufficient size to allow each inmate the opportunity to have at least 20 minutes dining time for each meal.

In addition, said Mr. King, SPWB indicated that not approving CIP project 11-C01 would increase operating, deferred maintenance, and construction costs including:

- \$200,000 annually in additional fuel costs because of inefficient and antiquated boilers.

- Costs associated with updating the project's design and construction, should it be approved in the future, from the 2006 International Building Code (IBC) to the 2012 IBC.
- Culinary equipment cost increases because of inflation in stainless steel prices.
- Additional mechanical commissioning costs for HVAC (heating, ventilation, and air conditioning) equipment that had been installed in Phase I and Phase II that would be out of warranty before being placed in service.

Chair Mastroluca noted that CIP project 09-M13 to replace boiler #2 at SDCC had been cancelled, and she asked for clarification.

Mr. King stated that CIP project 09-M13 addressed central plant boilers and CIP project 11-C01 addressed dedicated boilers for the culinary and laundry area that would lessen the demand on the central plant boilers. Apparently, CIP project 09-M13 was no longer necessary because the Department of Corrections (DOC) had hired an energy efficiency contractor who had installed a ground source system for the existing central plant boilers that also reduced the demand on those boilers; therefore, the replacement boiler that had been contemplated in project 09-M13 was no longer necessary.

Mr. King stated that the next closing item dealt with two projects that were recommended for the Department of Motor Vehicles (DMV) in Las Vegas and Reno. The 2011 CIP recommendation included advance planning through schematic design for two new 28,000 square-foot office buildings, drive test areas, and separate vehicle inspection stations and emission labs that would be located in Reno (CIP project 11-E02) and southwest Las Vegas (CIP project 11-E04). The total cost for the two recommended projects was \$727,204 through a mixture of Highway funds and 10 percent from emission fees collected in the Pollution Control Fund.

Mr. King said during the April 12, 2011, meeting, the Joint Subcommittee expressed skepticism regarding the need for the two facilities at the present time, citing improvement in the length of customer wait times and the likelihood that funding would not be available to complete construction of the facilities within the 2013-2015 biennium.

Chair Mastroluca said she understood why the planning for the two facilities had been requested, but perhaps the Interim Finance Committee (IFC) should monitor the planning and design of the buildings to ensure that construction of the buildings was necessary over the biennium to relieve the burden on DMV.

Continuing his presentation, Mr. King stated that CIP project 11-S10 dealt with the Governor's recommendation for statewide agency projects. The Governor recommended \$13,622,043 in agency funds for SPWB to manage building projects not funded in the state's CIP. Currently, agencies with projects that were not approved in the state's CIP executed contracts paid the associated bills, while SPWB functioned as the manager for those projects. The SPWB indicated that the current process was inefficient and confusing for both the agencies and the contractors and could result in late payments to contractors for projects.

Mr. King indicated that the authority to receive and expend agency funds might be received from IFC as specific projects were identified, but SPWB indicated that could lead to significant delays of up to three months for projects. In addition, said Mr. King, SPWB reported that since 2006 approximately \$36 million in agency projects had been managed by SPWB using the current process.

Mr. King noted that in both 2007 and 2009 approximately \$99 million was requested in the CIP recommendation for similar proposals to provide SPWB with receipt and expenditure authority for agency projects; however, neither recommendation was approved by the Legislature because of the reduction in legislative oversight for those projects. Mr. King stated that no information had been provided with the current recommendation that would mitigate the concern of past legislative sessions.

Chair Mastroluca recapped that the Legislature had considered similar requests in 2007 and 2009, and there had been much hesitation on the part of the Legislature to approve those requests. It appeared that the 2011 Legislature again had no appetite to approve the recommendation.

Mr. King stated the next item for review was the request from SPWB to have the reversion date extended to June 30, 2013, for 18 projects from previous CIPs because those projects would not be completed by June 30, 2011.

Continuing his presentation, Mr. King stated that questions had been asked by the Joint Subcommittee at the previous hearing regarding power supply

upgrades at the Stewart Facility and the Blasdel Building. Mr. King said the Stewart Facility was powered by a single power feed, metered by a single utility meter, and then transformed by the state to low voltage. To take over the state's portion of the power supply system, the local utility company would require that the power be fed to, and metered at, each building separately. The estimated cost for those improvements was approximately \$11 million.

Mr. King stated that the Blasdel Building had always been served and metered by the local utility provider, and the utility provider owned the building's transformers. However, while the local utility provider owned the existing transformers, the provider would not pay the cost to upgrade to a safe, modern transformer located outside the building. The state was responsible to provide and install the transformer pad, conduit, and conductors into the building even though the private utility company owned the transformers. Mr. King noted that the local utility provider would charge a fee for providing the transformers and would maintain them on an ongoing basis.

Chair Mastroluca asked Mr. Chimits to discuss the plan for the power supply upgrades.

Chris Chimits, R.A., Deputy Manager of Professional Services, State Public Works Board (SPWB), stated that the plan was to replace the transformer and switch gear as required by current code, current standards, and current safety regulations at the Blasdel Building. The existing transformer was owned by the local utility provider, but there had been no obligation on the part of the provider to update the transformer over the years. Mr. Chimits said the improvement and/or replacement of the transformer remained with the state.

Regarding the Stewart Facility, said Mr. Chimits, the transformer was different at that Facility and was powered with a single power feed that was metered by a single utility meter and was then transformed by the state to low voltage.

Chair Mastroluca asked whether it was the state's responsibility to update the system before the local utility provider would take over the system. Mr. Chimits said the local utility provider would continue to be responsible for maintaining power to the transformer at Stewart.

Gustavo Nuñez, P.E., Manager, SPWB, commented that the transformer at the Blasdel Building was actually owned by the local utility provider, and SPWB would upgrade the transformer to a code-compliant and safe installation. After

that was completed, the local utility provider would continue to own and maintain the system.

Mr. Nuñez stated that the system at the Stewart Facility was located on power poles, which were "rotting away," thereby creating a safety concern. The system at Stewart was owned by the state. Mr. Nuñez explained that the state purchased primary power from the local utility provider at a wholesale rate, transformed it to secondary power, and then distributed that power throughout the Facility. Mr. Nuñez noted that the new system at Stewart would be located at ground level rather than on poles, but power would be distributed to the buildings in the same manner. That would be more cost-effective to maintain and would alleviate the safety issues created by the aging power poles.

Mr. Nuñez said if the state wanted the local utility provider to assume responsibility, the provider would install its own system throughout the Facility with transformers that would convert the primary to secondary power and feed that power to each building. Each building at the Facility would be metered, which would meet the local utility provider's current standards. Mr. Nuñez explained that project would cost approximately \$10 million versus the current CIP project cost of approximately \$1.2 million. Also, said Mr. Nuñez, if the local utility provider owned the system, rather than the state being charged wholesale power rates, it would be charged at the retail rate, which would be more costly. Mr. Nuñez said the recommendation from SPWB was to maintain the system "as is" at the present time and move forward with the CIP project.

Assemblywoman Carlton asked for clarification regarding the transformers at the Blasdel Building, which apparently were owned by the local utility provider, but the provider would not upgrade the transformers.

Mr. Nuñez said the transformers were owned by the local utility provider and after the system was updated by the state, the transformers would continue to belong to the local provider. The local provider would then maintain the system.

Assemblywoman Carlton asked why the state had to maintain transformers that were owned by the local utility provider. She asked for documentation that the state was responsible for maintaining the transformers at the Blasdel Building.

Mr. Nuñez said he would have to research the agreement between the state and the local utility provider, which was regulated by the Public Utilities Commission

of Nevada. He stated he would provide that information to the Subcommittee at a later date.

Chair Mastroluca asked Mr. Nuñez to provide that information to Fiscal Analysis Division staff.

Continuing his presentation, Mr. King stated that the last work session item was the May 2011 Project Exception Report, which indicated 11 total projects and portions of 4 statewide projects that had been delayed because of the state's lack of bonding capacity.

In response to questions from Fiscal Analysis Division staff, SPWB indicated that with the exception of projects that would be requested for cancellation and projects that were recommended to be replaced in the 2011 CIP, all the delayed 2009 CIP projects would be completed by reallocating funding from projects that SPWB determined would be completed for less than the amount approved by the 2009 Legislature.

Chair Mastroluca asked whether there were further comments or questions to come before the Joint Subcommittee.

Mr. Nuñez indicated that Mr. Mohlenkamp was present at the hearing to address the CIP project at the Ely State Prison (ESP). Mr. Nuñez advised that the 2011 CIP would be completed from savings generated from existing CIP projects. The SPWB had also reserved \$1.5 million in future bonding capacity to finish the 2009 CIP projects.

Jeffery Mohlenkamp, Deputy Director, Support Services, Department of Corrections (DOC), introduced himself and James G. (Greg) Cox, Acting Director, DOC, to the Subcommittee. He asked about the information requested by the Joint Subcommittee.

Chair Mastroluca said the discussion was about the difference in costs for the surveillance equipment for Ely State Prison (ESP) depicted in CIP project 11-M60.

Mr. Mohlenkamp explained that DOC had identified in its budget the amount it believed would be needed to initiate the video surveillance system project at ESP. The DOC decided to use a streamlined approach with a small number of cameras and limited recording systems to initiate the system and identify key areas within ESP where there had been problems in the past. The original

request would have been a start-up project that could have been built-out in the future. However, said Mr. Mohlenkamp, when the decision was made to close the Nevada State Prison (NSP), DOC had requested that the CIP project for NSP be moved to ESP to facilitate installation of a complete surveillance system, and that was the request in the current CIP project 11-M60.

Chair Mastroluca indicated CIP project 11-M60 would include 220 fixed cameras and 15 PTZ cameras, and she asked whether that number was sufficient for surveillance needs at ESP.

Mr. Mohlenkamp indicated that number of cameras would create a very robust system for ESP and would provide complete coverage.

Mr. Cox said CIP project 11-M60 would allow DOC to expand and enhance the security and surveillance in all areas of ESP; it would allow surveillance of not only housing areas, but also the outer perimeter. The system would allow for recording, and Mr. Cox believed the system would enhance the security at the facility and ensure the safety of staff and inmates at ESP.

Chair Mastroluca asked Ms. Comeaux to come forward and address cancellation of CIP project 09-C02a. The Joint Subcommittee wanted assurance about possible action by the Centers for Medicare and Medicaid Services (CMS) to disallow Medicaid reimbursements because of the cancellation of the project.

Diane Comeaux, Administrator, Division of Child and Family Services (DCFS), Department of Health and Human Services, stated that was correct: CMS had taken no action to date regarding the combined treatment being provided at the Desert Willow Treatment Center, and DCFS did not anticipate further action over the upcoming biennium.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, thanked the Joint Subcommittee members for their efforts in attending the CIP work session. The CIP budget was slated for closure on June 1, and he believed the update had been necessary because there had been additional developments within the 2011 CIP recommendation. Mr. Combs said Fiscal Analysis Division staff would appreciate any direction regarding the closure of the CIP recommendation. It appeared that the Joint Subcommittee was not comfortable with CIP project 11-S10, statewide agency projects, but there did not seem to be a great deal of discomfort regarding the new projects that had been added and the amendments that had been submitted for the 2011 CIP recommendation. Mr. Combs said unless Fiscal Analysis Division staff

received different direction from the Joint Subcommittee, it would prepare the closing documents accordingly.

Chair Mastroluca indicated that the Joint Subcommittee had not voiced concerns about the additional projects, but she believed that the Interim Finance Committee should monitor CIP projects 11-E02 and 11-E04 regarding the advance planning for the two buildings for the Department of Motor Vehicles.

Senator Horsford asked for further information regarding the transfer of the Nevada State Museum, Las Vegas from Lorenzi Park to the Springs Preserve. He asked about the current status of the facility at Lorenzi Park and about the state's commitment. Senator Horsford said he had met with representatives from the City of Las Vegas, and he would like to have additional information regarding that transfer.

Mr. Combs believed that part of the plan in moving into the new Springs Preserve Museum was to vacate the facility at Lorenzi Park. There was a provision in the lease that if the state ceased to use that building for a museum, it would revert to the city. Mr. Combs said the city currently owned the land, and it would take over the facility. The facility had been considered at one point for a records storage center for the Division of State Library and Archives; however, that project had never come to fruition because of costs and other priorities. Mr. Combs said he would follow up on the transfer of the Museum and would provide that information to the Joint Subcommittee at the June 1, 2011, meeting.

Senator Horsford indicated that he would appreciate additional information. To recap, he noted that the state owned the building and the city owned the land; therefore, if the state vacated the building, it would revert to the city, at which time the state would have no further obligation to continue to provide maintenance or utility costs.

Mr. Combs said he was not aware of the lease agreement regarding the museum at Lorenzi Park. He knew that the state had paid the construction costs for the building, and that it was located on property owned by the City of Las Vegas. The state paid the lease to the city, and a provision of the lease stated that if the building was not used for a museum facility it would revert to the city. Mr. Combs said he would research whether there was an obligation on the part of the state for maintenance or to pay a minimum level of utilities and he would provide that information to the Subcommittee at the June 1, 2011, hearing.

Senator Horsford also wondered whether the facility had to house a state museum or whether another function that supported cultural affairs could be housed in the facility. Senator Horsford noted that there had been other proposals from community groups regarding the facility. He also asked about the size of the facility, what the operational costs had been, and whether the current lease was negotiable. Senator Horsford also asked about the terms of the lease and whether other organizations could occupy the facility once the state vacated.

Mr. Combs said Fiscal Analysis Division staff would provide those details at the June 1, 2011, hearing.

Chair Mastroluca asked whether there were further questions or public comment to come before the Joint Subcommittee.

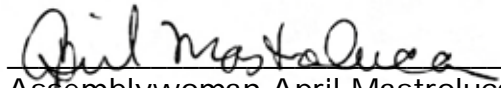
Assemblywoman Smith asked for information from SPWB at the June 1, 2011, hearing regarding the status of the contract for solar projects signed by the Office of Energy. She wondered about the degree of involvement on the part of SPWB and the progress that had been made to date. Mr. Nuñez stated he would provide that information.

With no further business to come before the Joint Subcommittee, Chair Mastroluca adjourned the hearing at 1:34 p.m.

RESPECTFULLY SUBMITTED:

Carol Thomsen
Committee Secretary

APPROVED BY:



Assemblywoman April Mastroluca, Chair

DATE: September 26, 2011

Senator Sheila Leslie, Chair

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on Human Services/CIP

Date: May 31, 2011

Time of Meeting: 12:46 p.m.

Bill	Exhibit	Witness / Agency	Description
	A	*****	Agenda
	B	*****	Attendance Roster