

**MINUTES OF THE MEETING OF THE  
SENATE COMMITTEE ON FINANCE  
AND  
ASSEMBLY COMMITTEE ON WAYS AND MEANS  
SUBCOMMITTEES ON GENERAL GOVERNMENT**

**Seventy-Eighth Session  
February 11, 2015**

The meeting of the Subcommittees on General Government of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Pete Goicoechea at 8:05 a.m. on Wednesday, February 11, 2015, 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.

**SENATE COMMITTEE MEMBERS PRESENT:**

Senator Pete Goicoechea, Chair  
Senator Joyce Woodhouse

**ASSEMBLY COMMITTEE MEMBERS PRESENT:**

Assemblyman Randy Kirner, Chair  
Assemblyman Pat Hickey, Vice Chair  
Assemblyman D. Paul Anderson  
Assemblywoman Irene Bustamante Adams  
Assemblyman Chris Edwards  
Assemblywoman Heidi Swank

**COMMITTEE MEMBERS ABSENT:**

Senator Michael Roberson (Excused)

**STAFF MEMBERS PRESENT:**

Mark Krmpotic, Senate Fiscal Analyst  
Cindy Jones, Assembly Fiscal Analyst  
Leannandra Copeland, Program Analyst  
Mandi Davis, Program Analyst  
Emily Cervi, Committee Assistant  
Jackie L. Cheney, Committee Secretary

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 2

**OTHERS PRESENT:**

Sherry Rupert, Executive Director, Nevada Indian Commission  
Claudia Vecchio, Director, Department of Tourism and Cultural Affairs  
Michon R. Eben  
Arlan Melendez, Tribal Chairman, Reno-Sparks Indian Colony; Representative of  
National Congress of American Indians for Nevada, Arizona and Utah  
Buck Sampson, Chairman, Stewart Advisory Committee  
David C. Peterson, C.P.M., Operations and Finance Manager, Commission on  
Tourism  
Janet Geary, Publisher, *Nevada Magazine*, Division on Tourism, Department of  
Tourism and Cultural Affairs  
Peter Barton, Administrator, Division of Museums and History, Department of  
Tourism and Cultural Affairs  
Susan Boskoff, Executive Director, Nevada Arts Council  
Bruce Gilbert, Executive Director, Silver State Health Insurance Exchange  
Cari Eaton, Finance and Research Officer, Silver State Health Insurance  
Exchange  
Anna Zucker, Board Member, Board of the Nevada Arts Council  
Tim Jones, President, Nevada Alliance for Arts Education  
Shaun Griffin, Executive Director, Community Chest, Inc.  
Ben Rupert  
Tia Flores  
Joe McCarthy  
Gracie Dick, Stewart Indian School  
Meg McDonald, Member, Stewart Advisory Committee

**Chair Goicoechea:**

We will begin with the Stewart Indian School Living Legacy budget account  
(B/A) 101-2601.

COMMERCE & INDUSTRY

TOURISM AND CULTURAL AFFAIRS

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 3

Tourism - Stewart Indian School Living Legacy — Budget Page TOURISM-12  
(Volume II)  
Budget Account 101-2601

**Sherry Rupert (Executive Director, Nevada Indian Commission):**

The 2015-2017 Executive Budget includes funds for planning and operation of the Stewart Historic District in Carson City. The goal is to preserve the history of the Stewart Indian School, while developing a cultural heritage destination unlike any other across the Country. Phase I of the project includes initial staffing and restoration of two buildings on the Stewart campus for a new cultural center and a welcome and information center.

The 2013 Legislature approved a program officer position at the Nevada Indian Commission (NIC) to commence planning of the Stewart Historic District. Along with other duties, this program officer developed a funding plan and a schematic for Building 1 where the Cultural Center will be located.

I have given the Subcommittees a document entitled “Nevada Department of Tourism and Cultural Affairs Preserving History, Celebrating Today, Innovating for the New Nevada” ([Exhibit C](#)). As shown on page 5, State involvement in this initiative is essential because (1) the property is owned by the State of Nevada, (2) many of the buildings are deteriorating, (3) deed restrictions require Building 1 be used to display crafts, artifacts and memorabilia related to the Stewart Indian School and, (4) our alumni are aging and when they pass on, their stories and history of the school go with them. If the deed restrictions are not met, the entire conveyance will revert to the United States.

**Chair Goicoechea:**

Has the Agency received communications from the U.S. Secretary of the Interior indicating the property is in jeopardy of reverting to the United States?

**Ms. Rupert:**

No.

Decision unit E-275 includes funding for two new staff, a museum director and museum curator, and their associated operating and travel costs to support the

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 4

Stewart Indian School Living Legacy Initiative beginning in fiscal year (FY) 2017.

E-275 Educated and Healthy Citizenry — Page TOURISM-12

The NIC was awarded a \$137,000 grant from the Commission for Cultural Affairs for the planning documents for the Cultural Center, Building 1 at the Stewart facility. Capital Improvement Program (CIP), project No. 15-P03, was approved for \$297,922 for the design through construction documents for the rehabilitation of Buildings 1 and 2 for the Cultural Center and Welcome Center. This resulted in duplication of planning funds for Building 1. We would like to work with the Legislative Counsel Bureau (LCB) and the State Public Works Board to determine how this money will be used.

Project No. 15-P03 — Cultural Center and Welcome Center (Stewart Facility)

**Chair Goicoechea:**

Our notes and documents refer to Buildings 1 and 3, rather than Buildings 1 and 2.

**Ms. Rupert:**

It should be Buildings 1 and 2. Building 3 is the former administration building where the NIC is housed. No improvements to Building 3 are planned at this time.

**Chair Goicoechea:**

As no construction has started, what will the two new staff do during the 2015-2017 biennium?

**Ms. Rupert:**

Their duties will include planning, setting up the organizational structure and developing the operational and collection policies/procedures. They will work closely with the Nevada State Museum staff and other industry professionals within the State and across the Nation.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 5

**Chair Goicoechea:**

Can this staff work on locating the museum exhibit items and start preparing them for display?

**Ms. Rupert:**

The U.S. Department of Interior, Bureau of Indian Affairs (BIA) and the NIC have collections of artifacts and memorabilia relating to the Stewart Indian School. The BIA collection and part of the NIC collection are in storage at the Nevada State Museum. Staff can catalog these items and construct a plan for how the exhibits will be displayed.

**Chair Goicoechea:**

After the museum director and curator are added, what will the program officer do? Can the duties of the program officer and museum director be combined into one position to save costs?

**Ms. Rupert:**

The program officer spends most of her time pursuing and maintaining grants to fund the project. She also works in other program areas such as veteran services and tourism; however, we expect her to assist the museum director and curator.

**Chair Kirner:**

Is the program officer's time cost allocated to the other areas she is working on?

**Ms. Rupert:**

This position is funded with 75 percent General Fund dollars and 25 percent room tax transfers.

**Chair Kirner:**

Will this continue going forward?

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 6

**Claudia Vecchio (Director, Department of Tourism and Cultural Affairs):**

The 75/25 split occurs for all personnel and operating costs within the Nevada Indian Commission in the Department of Tourism and Cultural Affairs (DTCA) and is expected to continue through the biennium.

**Chair Kirner:**

Would that be true for all three of the existing positions?

**Ms. Vecchio:**

Yes.

**Assemblywoman Swank:**

What are the Agency's plans for obtaining grants and matching funds?

**Ms. Rupert:**

We have a Letter of Intent pending before the U.S. National Park Service. They will review our request and let us know if we qualify to apply for the National Historic Landmark designation with the National Register of Historic Places. Many smaller grants exist, but most foundations and grant programs are not interested in awarding them to state agencies. We are in the process of establishing a separate nonprofit arm called "The Friends of Stewart Indian School" that will allow us to pursue larger grants. Funds are available through giving tribes; however, they too are only interested in awarding monies to nonprofit organizations rather than to state agencies.

**Ms. Vecchio:**

We need a business plan that includes grants, sponsorships and ways to raise money and market the Initiative.

**Assemblywoman Swank:**

People do not always think of nonprofits as businesses. They are businesses and should have business plans. The National Register is a nice honorary list, but the real protections occur at the local level. Since Carson City has a historic district, are there plans to pursue recognition and protections at that level?

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 7

**Ms. Rupert:**

Yes. Recently, we met with members of the Carson City Cultural Commission to make them aware of what is occurring at the Stewart Indian School. We are scheduled to speak at their next meeting.

**Chair Goicoechea:**

In the end, will there be three buildings?

**Ms. Rupert:**

This budget request only includes two buildings.

**Chair Goicoechea:**

How many buildings will be included in the long-term build-out?

**Ms. Rupert:**

The vision is to preserve the entire Stewart Historic District and create a cultural heritage destination. We would like to restore more buildings, especially the auditorium, to expand the experience when people visit the Stewart Indian School.

**Chair Goicoechea:**

Seeing no other questions, we will move to the NIC, B/A 101-2600. This budget account is discussed on pages 7 through 9 of [Exhibit C](#).

Tourism - Indian Commission — Budget Page TOURISM-31 (Volume II)  
Budget Account 101-2600

As described on page 8 of [Exhibit C](#), the NIC serves as liaison between the State and 20 federally recognized tribes comprised of 27 separate tribes, bands and community councils throughout the State. The NIC assists agencies and tribes on issues affecting Nevada's American Indian constituency and serves as a forum in which Indian needs and issues are considered. It serves as a conduit by which concerns involving American Indians or tribal interests are channeled through the appropriate network. The NIC also serves as the point of access for tribes to find out about State and local government programs and policies.

The chart on page 9 lists the performance standard outcomes for FY 2014 through projected FY 2017. The total number of requests fulfilled is a new performance measure created during the 2013 Legislative Session. Previously, we counted every contact; now we count only those requests where assistance was delivered through research or by providing information. The actual number of participants in organized events in FY 2014 was more than double the projected amount. We have been successful in increasing awareness of the Stewart Indian School and have increased the number of student visitors, mostly from southern Nevada. Southern Nevada students come to visit the Nevada State Capitol Building, Nevada State Legislature, the Nevada State Museum and the Stewart Indian School.

**Assemblywoman Bustamante Adams:**

To clarify, why is the number of participants in organized events decreasing from 1,279 in FY 2014 to 500 or 600 in subsequent fiscal years?

**Ms. Rupert:**

We had an exceptionally good year in FY 2014. We are being conservative with future projections until we have a solid benchmark.

**Chair Goicoechea:**

Are there any public comments on the budget accounts discussed so far?

**Michon R. Eben:**

I am a lifelong resident of Nevada, an enrolled member of the Reno-Sparks Indian Colony and serve as the Tribal Historic Preservation Officer for the Colony. I am a member of the NIC Indian Territory Committee and am a direct descendant of past students of the Stewart Indian School. My office is in a historic Stewart vernacular-style bungalow, built by the same artisan that built the Stewart Indian School buildings. Our building is listed on the National Register of Historic Places.

My great-grandmother, Katie Frazier, began attending the Stewart Indian School when she was 8-years old, sometime between the years of 1899 and 1900. About 1918, Katie Frazier's eldest daughter, Lone Allen Hicks, my grandmother, began attending Stewart Indian School at about 8 to 10 years old. My father, Leslie Maurice Eben Sr., attended Stewart Indian School in the late 1930s and



the 1940s. In 1937, my mother, Alice Shoshone Eben, became a student of Stewart Indian School when she was 6 years old. In the late 1970s, one of my eldest brothers attended the School.

My parents met at Stewart Indian School. They were married after my father enlisted in the Korean War and my mother graduated from the Stewart Indian School. My parents, my grandmother and my great-grandmother are deceased; however, they instilled in us our proud Native American heritage and traditions, memories of the boarding school era and the value of having an education. They stressed the importance of education and the choices it offers. Today, we do the same.

Native American culture, including Indian boarding schools, has been studied and interpreted from a non-Indian perspective as evidenced by authored books of Native American historical accounts, archaeological excavations and scientific interpretation of collections of Indian artifacts, photographs and stories gathered in earlier times. The Initiative will allow staff and tribal members to record, preserve, interpret and exhibit true and culturally appropriate Native American school artifacts, photographs, oral histories and other important aspects of the school's history, including rehabilitation of the buildings. It is time to give Native Americans the opportunity to tell our own stories in our own words.

Many significant people in my life, those from Native American communities as well as Nevada residents, attended Stewart Indian School. Regardless of whether you agree or disagree with the boarding school concept, no one can argue that it had a significant and profound impact on Native American culture and Nevada history. The Stewart vernacular-style buildings and the property have a distinct and unique characteristic type and period and are works of high artistic value. The buildings alone are worth preserving and sharing with current and future generations. Nothing compares to being able to stand in the same setting and environment as our ancestors. The experience cannot be duplicated by looking at pictures or videos. It can only be truly experienced by walking the grounds, sitting in the same classrooms and being among the same grand trees that my ancestors experienced.

Today, our great State of Nevada has an opportunity to assist the NIC's vision of preserving this amazing piece of our past. People across the world want to

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 10

visit Nevada for its rich cultural heritage destinations. Please allow the Stewart Indian School to become a historic destination and let it continue to educate Nevadans, tourists, students, scholars and the world on the lives and stories of the Stewart Indian School. Let us memorialize the history of the Stewart Indian School, its students, culture and era, through the eyes, memories and pride of its students.

I support and urge your support of Senate Bill (S.B.) 63, the Stewart Indian School Living Legacy Initiative and the NIC.

**SENATE BILL 63**: Creates the Nevada Indian Commission's Gift Fund and designates the Commission as coordinating agency. (BDR 18-289).

**Arlan Melendez (Tribal Chairman, Reno-Sparks Indian Colony, Representative of National Congress of Americans for Nevada, Arizona and Utah):**

My parents met while attending Stewart Indian School in 1944 and have fond memories of the school. Many years ago, the federal government had a vision for teaching Indian students. Children were taken from their homes and placed in boarding schools where they lost their native language and culture. Today, the American Indians have a vision. This Initiative and the decisions you make can be the catalyst to fulfill that vision. The vision is larger than two buildings. The broader vision is to portray the history of the three Nevada Indian tribes correctly and maybe even go as far as establishing a tribal college at the Stewart Indian School where Indian students can be together with their own people and learn about Indian customs, Indian laws, water rights and protecting their sovereignty. My tribe and I are supportive and willing to help in any way we can to make this vision a reality.

**Buck Sampson (Chairman, Stewart Advisory Committee):**

I am a third-generation family member who attended the Stewart Indian School. My grandfather and his brothers attended the school in 1909. At that time, the children who came to the school only spoke their native languages. My family members spoke Paiute. The Stewart Indian School students learned to read, write and how to do typesetting. Everyone was active in sports. My grandfather and his brothers helped establish the Reno-Sparks Indian Colony. One of my grandfathers, Dewey Sampson, was elected to the Nevada Assembly in 1938 and was the first Native American to vote in the Nevada State Legislature. He

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 11

campaigned at the Legislature for equal rights for American Indians. He helped to write the Constitution and By-Laws of the Pyramid Lake Paiute Tribe of Nevada and was a translator for the Paiute language.

My mother and her brothers came to Nevada in 1943. They lost their parents in Tonopah when a flu epidemic came through and wiped out two-thirds of the Tonopah population. Two days after their parents died, they were picked up on a buckboard wagon and taken to Stewart Indian School where they stayed year round. My mother and her brothers remained in this area and frequently discuss their fond memories of Stewart Indian School. I graduated from Stewart Indian School in 1971 with three scholarships.

I have good feelings about the Stewart Indian School and am passionate about preserving the school and the memories it holds. I have stayed involved with issues involving the school by serving as chair of the Stewart Advisory Committee. Please support the Stewart Indian School Living Legacy Initiative.

**Chair Goicoechea:**

When did the Stewart Indian School close?

**Mr. Sampson:**

I believe it was 1980.

**Chair Goicoechea:**

As we are running out of time, please submit any written testimonies to the Committee Secretary so they may be included in the record.

**Ms. Vecchio:**

I will be presenting the Tourism Development Fund, B/A 225-1522. This account is discussed on pages 10 through 17 of [Exhibit C](#).

Tourism - Tourism Development Fund — Budget Page TOURISM-14 (Volume II)  
Budget Account 225-1522

The primary mission of the DTCA's Division of Tourism is to generate revenue for the State through activities that encourage tourist visitation. Tourism represents the largest segment of the State's economic base. The Division

receives a return on investment of \$33 for every \$1 spent on marketing, as compared to \$19 for every \$1 reported during the 2013 Legislative Session.

**Chair Goicoechea:**

Is there any point when the return diminishes after a certain dollar amount is spent?

**Ms. Vecchio:**

The amount of return may reach a ceiling, but we do not expect this number to decline. We conduct an effectiveness study after each of our campaigns and always strive for improvement.

**David C. Peterson, C.P.M. (Operations and Finance Manager, Commission on Tourism):**

The Division is primarily funded through room tax revenues, with limited funds received through conference registration fees. As shown on page 13 of [Exhibit C](#), room tax revenue is projected to increase 4.6 percent in FY 2015, 2.1 percent in FY 2016 and 3 percent in FY 2017. We anticipate increases in visitor volume and room nights occupied.

Actual room tax revenues in FY 2014 were \$19,279,041. The most recent projections for FY 2015 are \$20,168,271, \$20,582,810 for FY 2016 and \$21,201,331 for FY 2017.

As illustrated on page 12 of [Exhibit C](#), our operating budget was \$14,868,843 in FY 2014. It is projected to be \$14,408,298 in 2015, \$16,655,976 in FY 2016 and \$16,747,961 in FY 2017.

The chart on page 14 of [Exhibit C](#) shows transfers of \$4.4 million to \$4.7 million per year to support programs within the DTCA and tourism-related efforts outside of the DTCA.

We must reserve monies to cover 60 days of operating expenditures, as shown on page 12 of [Exhibit C](#), to maintain adequate cash flow within DTCA.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 13

**Chair Goicoechea:**

As you know, Governor Brian Sandoval has proposed transferring \$1.6 million from the reserve fund to cover the General Fund shortfall in FY 2015. If this sweep of \$1.6 million in room tax reserves is approved, the room tax reserves shown on page 12 of [Exhibit C](#) may not be adequate to cover 60 days of operating expenses. How comfortable are you with the reserve figures shown on page 12?

**Ms. Vecchio:**

We are comfortable with our 60-day reserve.

**Assemblywoman Bustamante Adams:**

Since most of the room tax revenue comes from Clark County, will they receive the largest share of the marketing funds?

**Ms. Vecchio:**

The budget is allocated on a statewide basis. Those in the industry understand that although the majority of the revenue comes from Clark County, we are largely involved in marketing rural Nevada, Washoe County and Carson City.

**Assemblyman Edwards:**

Please explain what happens with money transferred to the Nevada Film Office in the Governor's Office of Economic Development.

**Ms. Vecchio:**

This money funds the operations and marketing of the Office of the Governor, Economic Development Division and Nevada Film Office. We work with them to market the State as a film location.

**Chair Goicoechea:**

Has the Agency implemented all of the LCB Audit Division's recommendations for selecting a vendor for your marketing and advertising efforts?

**Ms. Vecchio:**

We are fully compliant with eight of the nine LCB Audit Division recommendations. The Purchasing Division compliance issues have been resolved and we have implemented new procedures for logging and managing

our contracts. The last item, related to backup requirements for our international contracts, is expected to be resolved in the near future. We are in the process of preparing Requests for Proposals for all our international vendors, working hand-in-hand with the Purchasing Division to ensure everything is done correctly.

**Chair Goicoechea:**

Decision unit E-127, discussed on page 15 of [Exhibit C](#), provides \$70,000 from the reserves be spent each year of the biennium for a contracted representative in India to increase international sales efforts throughout Asia. What impact will the additional representation in India and existing representation in China have on the number of visitors coming to Nevada?

E-127 Sustainable and Growing Economy — Page TOURISM-16

**Ms. Vecchio:**

India is an enormous growth market. Because people from India have family members in California and tend to travel in family groups, marketing to India gains visitors both internationally and domestically. Decision unit E-127 only includes operational costs; it does not include the marketing or human resource costs to manage the office. If approved, the Agency must determine how to provide the human resources and marketing.

Tracking international visitation is challenging; it is not a perfect science. The U.S. Department of Commerce captures visitor information through surveys. We estimate 304,000 Chinese visitors come to Nevada each year. We expect a 20 percent increase within a short timeframe due to the new 10-year visa. We require that our international offices provide quarterly reports showing their activities. We continually evaluate the return on our investment.

**Chair Goicoechea:**

An information technology (IT) position for Las Vegas is funded in decision unit E-225, discussed on page 16 of [Exhibit C](#). You currently have one IT technician located in Carson City. What is not being covered by the existing IT technician?

E-225 Efficient and Responsive State Government — Page TOURISM-18

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 15

**Ms. Vecchio:**

The new position would manage the data processing for our facilities in southern Nevada. We need technology assistance for videoconferencing and daily operations.

**Chair Goicoechea:**

Do you agree with the transfer of room tax revenues to partially support other agencies?

**Ms. Vecchio:**

I agree with providing funds to support the agencies within the DTCA as each of these divisions has a tourism component. I am not as supportive of transferring monies outside the Department. I do not have any control over how those dollars are spent, and it can be questioned how the activities benefit tourism.

**Assemblyman Edwards:**

Do you know how much money is spent on Internet advertising in other countries, such as China and India?

**Ms. Vecchio:**

I do not have this information with me today. I will provide the information.

**Chair Kirner:**

We will move to the *Nevada Magazine*, B/A 530-1530, discussed on pages 18 through 25 of [Exhibit C](#).

Tourism - Nevada Magazine — Budget Page TOURISM-25 (Volume II)  
Budget Account 530-1530

**Janet Geary (Publisher, *Nevada Magazine*, Division of Tourism, Department of Tourism and Cultural Affairs):**

*Nevada Magazine* is the State's legacy bimonthly magazine produced in the publications section of the Division of Tourism to educate the public about Nevada. The magazine will turn 80 years old next year. Publications have occurred continuously since 1936 with the exception of a couple of years during World War II.

As discussed on page 19 of [Exhibit C](#), the purpose of *Nevada Magazine* is to generate revenue by encouraging its readers to travel to places throughout the State and visit areas they may not have seen. The magazine fosters an awareness and appreciation of Nevada's cities and towns, heritage, culture and natural wonders. Many historical articles are included to encourage readers to delve into the history of the State. We represent both *Nevada Magazine* and the *Nevada's Official Travel & Leisure Guide Travel Nevada* at trade shows, providing copies of the publications and speaking to businesses, service organizations and the media.

*Nevada Magazine* is an enterprise fund that receives no General Fund appropriations. Funding is provided by subscriptions, advertising revenue, newsstand sales and calendar sales. Page 20 of [Exhibit C](#) shows the FY 2014 through FY 2017 budget overview for B/A 101-1530

Magazines and newspapers throughout the last decade have experienced a decrease in their subscriber base because of increased use of the Internet and social media. The chart on page 21 of [Exhibit C](#) shows this to be true for *Nevada Magazine*. We increased our Internet presence by redesigning our Website, resulting in a huge increase in our Website visitation. We have increased the number of retail sites, which offer single copy sales, including Costco Wholesale Corporation, Scolari's Food and Drug Company, Smith's Food and Drug Centers, Inc., Wal-Mart Stores, Inc. and most other retail stores that sell magazines and books. We send *Nevada Magazine* e-newsletters to over 23,000 people who have opted to receive information. We publish some of our magazine stories in our e-newsletters and on our Website to encourage new subscribers.

As shown on page 22 of [Exhibit C](#), we have seen significant social media growth, particularly with Twitter, Facebook and Pinterest followers. We also publish 125,000 *Nevada Events and Shows* and *Las Vegas Events and Shows* and make them available to the public in the Las Vegas McCarran International Airport, Reno-Tahoe International Airport, all the Nevada welcome and visitor centers and Nevada convention visitor bureaus throughout the State. The 94.3 percent renewal rate for *Nevada Magazine* in 2014 is well above the national average for magazine renewals. The total overall *Nevada Magazine* reach increased from 22,040 in FY 2011 to 65,421 in FY 2014.



Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 17

Described on page 24 of [Exhibit C](#), decision unit E-130 requests a transfer from B/A 225-1522 to fund a direct marketing program for three direct mail campaigns designed to gain new subscribers for *Nevada Magazine*.

E-130 Sustainable and Growing Economy — Page TOURISM-27

**Chair Kirner:**

You are requesting a room tax transfer of \$50,000 each year to generate an additional \$2,000 in revenue each year. This is a poor return on the investment.

**Ms. Geary:**

The \$2,000 estimate is low. Our goal is to increase readership for *Nevada Magazine*. The 2 percent return realized in increased subscriber fees will increase readership, which will increase all other areas of viewership.

**Assemblywoman Swank:**

Las Vegas has more to offer beyond The Strip. Readership could be increased if *Nevada Magazine* had more articles about our great museums and other smaller neighborhood attractions.

**Ms. Geary:**

The focus of *Nevada Magazine* has been primarily on rural Nevada. The *Las Vegas Events and Shows* publication includes the kind of information you are requesting. However, I will pass your suggestion along to the *Nevada Magazine* editorial staff.

**Assemblywoman Swank:**

The magazine is called "*Nevada*" *Magazine* and the focus should be on all of Nevada, not just rural Nevada.

**Assemblyman Edwards:**

I suggest using the \$50,000 transfer for items broader in reach, such as Google and Facebook advertisements, which would attract more people to Nevada and result in a return greater than 2 percent.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 18

**Ms. Geary:**

As shown on page 25 of [Exhibit C](#), the average time on our Website is currently 70 seconds per viewer. We are projecting to increase that to 82 seconds in FY 2015, 94 seconds in FY 2016 and 105 seconds in FY 2017. Revenue is projected to increase each fiscal year based upon increased sales in southern Nevada.

**Assemblywoman Swank:**

What is the bounce rate for your Website?

**Ms. Geary:**

I do not have that information with me, but I will provide it to you.

**Chair Goicoechea:**

We are concerned about not meeting the projected magazine subscription numbers. Did the Division experience a shortage of visitor guides in FY 2014? Is that why you are requesting the \$50,000 a year in transfers from the room tax revenues?

**Ms. Vecchio:**

The \$50,000 room tax transfer requested in each year will be used to increase advertising and marketing for *Nevada Magazine*. We also need additional monies to cover increased publishing costs for the visitor guides. We do not plan to print more visitor guides because trends indicate people are moving from printed materials to electronic information.

**Chair Goicoechea:**

As previously mentioned, the Governor will be drawing your reserves down. If funding for the marketing campaign is not approved, actual subscription revenue is not as high as projected, or if any other glitches occur, you may not be able to maintain the necessary budget reserve.

**Ms. Vecchio:**

We closely monitor the reserve level; I am confident we will be able to maintain the reserves.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 19

**Peter Barton (Administrator, Division of Museums and History, Department of Tourism and Cultural Affairs):**

I will be presenting the Museums and History B/A 101-2941 discussed on pages 26 through 32 of [Exhibit C](#).

Tourism - Museums & History — Budget Page TOURISM-44 (Volume II)  
Budget Account 101-2941

The Division includes the administration office in Carson City and seven museums across the State: Nevada State Museum and Nevada State Railroad Museum in Carson City, Nevada Historical Society in Reno, the Nevada State Museum in Las Vegas, the Boulder City Railroad Museum, the East Ely Railroad Depot Museum and the Lost City Museum in Overton. These museums collectively manage over 3 million of Nevada's heritage assets. I like to say, "We represent the future of Nevada's past."

We have approximately 80 staff supplemented by a flexible workforce of 450 volunteers. Our volunteers contributed over 50,000 hours of service to the State in FY 2013. Four full-time employees manage the Division's administrative office. We centralize our fiscal services to relieve workloads at individual museums.

In the 2013-2015 biennium, the Legislature approved funding for two interactive visitor kiosks in two museums. These kiosks are in the final stages of programming and testing. Decision unit E-720 described on pages 29 and 30 of [Exhibit C](#) is requesting acquisition and installation of two additional interactive kiosks to be located at the Nevada State Railroad Museum in Carson City and the Nevada State Museum in Las Vegas. These kiosks capture valuable visitor information used to improve our tourism marketing. In addition, the kiosks provide a guide to the museum exhibits, offer discounts, promote museum memberships and give information about cultural amenities available in the community.

E-720 New Equipment — Page TOURISM-47

Our performance measures results shown on page 32 of [Exhibit C](#) focus on the population served. We have expanded our service to 7 days in some museums

and, as a result, have seen steady increases in visitor traffic. A large percentage of our visitors are from out-of-state. California is our strongest market; Utah and Arizona are tied for our second-most-populated market. The artifacts collected vary; however, tracking the numbers is important to determine necessary resources and storage to process the collections. An average of 50,000 students per year visit the museums. We process an average of 5,000 to 6,000 research requests per year. Visitor satisfaction rates are between 87 percent and 92 percent.

**Assemblywoman Swank:**

What percentage of visitors use the kiosks? Because using the kiosks is optional, it skews the data, as it does not provide a randomized sample of everyone attending the museum. It is a great tool, but it is important to understand the limitations of using the data.

**Mr. Barton:**

The programming and testing phase is complete for our existing two kiosks and they are now available for public use. I agree we must be cautious about how the data is used.

**Assemblyman Edwards:**

Have you considered using a focus group to find ways to encourage more people to use the kiosks? People are likely to walk by because they do not understand the value of using the machine or they may be intimidated to use it.

**Mr. Barton:**

The kiosks are strategically located at the visitor entrance points. Our reception staff encourages visitors to use the kiosks to enhance their museum visit.

**Chair Goicoechea:**

Why are there vacancies in the administrative assistant position in the Nevada Historical Society, and retail storekeeper at the Nevada State Museum in Las Vegas? Are there plans to fill either of these positions?

**Mr. Barton:**

*Nevada Revised Statute* 381.0033 describes the Museum Dedicated Trust Fund and clearly defines the intent of those funds, which is to support museum store

operations and operations that support the membership program. We have used the funds to develop new exhibits that generate General Fund revenue through admissions.

Through their oversight, the Board of Museums and History decided to leave the administrative position, essentially the store manager, vacant because the position was causing a chronic shortfall. We were using donor money to support a store operation that was losing money.

A similar situation exists for the retail storekeeper position at the Museum in Las Vegas. The sales for that store have only been 25 percent of sales in every other museum store in the system.

There are no plans to fill either of these positions.

**Chair Goicoechea:**

Do the Museum Dedicated Trust Fund accounts have enough funds to provide the total recommended transfer from the Museum Dedicated Trust Fund to the museum budgets of \$635,088 over the biennium and remain solvent going forward?

**Mr. Barton:**

Yes.

**Assemblywoman Swank:**

Please explain why there is such a large increase for the Nevada State Museum in Carson City and a decrease for Las Vegas recommended transfers from the Museum Dedicated Trust Fund to the General Fund accounts for FY 2016.

**Mr. Barton:**

The Nevada State Museum in Carson City has a half-time sales and promotion position, vacant for a number of years, that we are in the process of filling. The person hired will work on enhancing membership and reach out to the corporate world for memberships. Filling that position will increase the transfer from the Museum Dedicated Trust Fund to the General Fund account in the 2015-2017 biennium. We will fill this position in May or June 2015.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 22

In Las Vegas, the Board of Museums and History defunded the retail storekeeper position, resulting in a decrease in the transfer from the Museum Dedicated Trust because there is one less position.

**Chair Goicoechea:**

We will move to the Nevada Historical Society, B/A 101-2870, described on pages 33 through 37 of [Exhibit C](#).

Tourism - Museums & Hist-Nevada Historical Society — Budget  
Page TOURISM-54 (Volume II)  
Budget Account 101-2870

**Mr. Barton:**

The major budget issue in this account is the new museum director position. The Nevada Historical Society located in Reno is 111 years old and is Nevada's oldest collection museum. It is the only museum in our system that does not have a dedicated museum director. This has crippled the museum's ability to maintain the administrative services and community outreach that are important for the institution's long-term sustainability. Six full-time employees manage an exhibit gallery program, an active educational program and the research library.

The Nevada Historical Society is unique in its integrated approach of maintaining manuscripts and archival materials in addition to objects. It provides an enhanced experience for researchers and enables us to offer engaging exhibits. The American Alliance of Museums accredits the Nevada Historical Society, like the Nevada State Museums in Carson City and Las Vegas. This reaccreditation is due in 2015, and filling the museum director position is necessary to retain its accreditation.

**Chair Goicoechea:**

Would this position allow the Nevada Historical Society to increase its hours of operation?

**Mr. Barton:**

Yes. The Nevada Historical Society would go from a five-day per week operation to a six-day per week operation.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 23

**Chair Goicoechea:**

We will now move to the Nevada State Museum, Las Vegas, B/A 101-2943, pages 38 through 42 of [Exhibit C](#).

Tourism - Museums & Hist - Nevada State Museum, LV — Budget  
Page TOURISM-67 (Volume II)  
Budget Account 101-2943

**Mr. Barton:**

The Nevada State Museum in Las Vegas was originally established in 1982 at Lorenzi Park. In 2001, the Question 1 Bond Issue approved \$35 million for a new museum in cooperation with the Las Vegas Valley Water District at the Las Vegas Springs Preserve. The construction occurred over 7 years and the new museum opened at the Las Vegas Springs Preserve in October 2011, averaging 45,000 visitors per year.

This museum is operated in concert with the Las Vegas Springs Preserve and the Las Vegas Valley Water District. We combine our resources, but maintain separate operations. A multifaceted Las Vegas Springs Preserve experience is offered with the purchase of one ticket. The State receives a share of the adult admission revenue on the days we are open, which is currently Thursday through Monday. We receive 10 percent of the general adult admissions with a guarantee of \$53,172 a year. The Las Vegas Springs Preserve provides staffing support. We provide storage and technical support to the Springs Preserve.

Decision unit E-228, discussed on pages 41 and 42 of [Exhibit C](#), requests an additional museum attendant position. This position will allow the museum to be open an additional weekday. Clark County schools do not visit museums on Mondays or Fridays, leaving only Thursday for school tours. Adding Wednesday will increase the number of school tours. We estimate an additional 3,900 visitors in the first year and about 5,200 additional visitors in the second year.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 24

**Chair Kirner:**

Because of the additional day of operation, does the museum anticipate increased revenue beyond the \$53,172 guaranteed by the cooperative agreement with the Las Vegas Valley Water District?

**Mr. Barton:**

We are not sure. In the first six months of FY 2015, we have earned about \$15,300 towards the \$53,172. We have never reached the \$53,172. In FY 2014, we only earned a total of \$18,900.

**Chair Goicoechea:**

Have you negotiated a new contract with the Las Vegas Valley Water District?

**Mr. Barton:**

Yes. The Board of Examiners approved the new contract in January 2015, which was the last step in the approval process. We received payment in January 2015, and the work programs have gone forward for reimbursing the Contingency Fund.

**Chair Goicoechea:**

This will make another day available for the school field trips, but this will not increase revenues, as students do not pay for admission.

**Mr. Barton:**

That is correct. *Nevada Revised Statute* 381.0045 precludes charging admission to anyone under the age of 18.

**Chair Goicoechea:**

Next, we will discuss the Nevada Arts Council, B/A 101-2979, pages 43 through 47 of [Exhibit C](#).



**Susan Boskoff (Executive Director, Nevada Arts Council):**

The Nevada Arts Council (NAC) was established in 1967. A statewide strategic planning process occurs annually and the planning documents are available to the public on our Website.

The arts build communities where people want to live, work, learn and visit. They provide students a complete education by enhancing their critical thinking, attendance and graduation rates. The arts industry is crucial to economic diversification. Our artists are entrepreneurs investing in their communities. They are employers who pay salaries, buy and deliver goods.

The arts are the foundation of a robust cultural tourism strategy. The 21st century business relies on a creative workforce. We must ensure the arts are part of our children's education. In doing so, we will develop a desirable workforce for future employment by Nevada businesses.

The NAC is the State's primary provider of services to meet Nevada's cultural needs. The NAC provides grants to nonprofit and community organizations, offers professional assistance to artists, cultural organizations and schools, and coordinates statewide arts programming and activities for Nevada's cultural workforce. "The Nevada Arts Council Annual Report FY 2014" ([Exhibit D](#)) contains information about the grants and services provided. We delivered grants to 12 counties and services to 16 counties, including small communities like Schurz, Silver City, Wadsworth and Pahrump.

Decision unit E-226, discussed on page 46 of [Exhibit C](#), includes an increase of \$150,000 in each year of the biennium for NAC grants available to nonprofit organizations, schools, educators and artists to increase access to arts, cultural and arts education activities statewide. These grants are highly valued public funding awarded through an adjudication process of specialists. They serve as a catalyst and leverage for other private and public support.

E-226 Efficient and Responsive State Government — Page TOURISM-86

We have streamlined our categories of available grants. Grants are awarded in two ways. First, we offer an annual review of and award process for grants to major organizations to support education programs and public institution

projects. Secondly, we have rolling grants available throughout the year. These are primarily for new projects and organizations, educators and schools who missed the annual application process. Rolling grants support projects such as career enhancement, professional development and artist residencies in schools. We have the Nevada Circuit Rider Program Grant where we assign a specialist to assist an organization in addressing a critical problem such as board development, marketing or loss of an executive director. If approved, the \$300,000 over the biennium will be split between annual and rolling grants.

**Chair Kirner:**

Has the Agency considered using room tax revenue to fund the arts grant awards rather than using General Fund appropriations?

**Ms. Boskoff:**

We collaborated with the nonprofits and communities around the State to ensure the arts and culture activities continued for the Nevada citizenry during the Great Recession. The NAC already receives a considerable amount of money from room tax, and we are putting that money to good use in supporting activities that draw people to Nevada and motivate people to stay in Nevada.

**Chair Goicoechea:**

Will there be an opportunity in the future to decrease the amount of transfers from the General Fund by increasing the room tax revenue transfers?

**Ms. Vecchio:**

No. Originally, the room tax transfers were considered a short-term solution. We thought the agencies receiving room tax transfers would eventually go back to receiving General Fund monies because they affect and enhance the public.

**Ms. Boskoff:**

As the NAC performance measure results on page 47 of [Exhibit C](#) indicate, we collect data from our grantees as part of our grant from the National Endowment for the Arts. We reached most of our projections for FY 2014 and are on track for FY 2015. We have taken a conservative view looking forward for the projections for FY 2016 and FY 2017. The nonprofit businesses and entrepreneurs grantees were hit hard by the Great Recession. We are working with them as they grow back their staff, budget and programming.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 27

We are working on expanding the performance measures to capture the number of visitors to our Website. Our Website has 22 videos about traditional and folk artists in our Nevada stories collection. The most recent video features Hillman Tobey, a Northern Paiute living at the Reno-Sparks Indian Colony. Mr. Tobey is a traditional pipe maker celebrating his 100th birthday. We want to track how many are viewing our videos, how many have shared them with others or have used them in educational programs.

**Chair Goicoechea:**

We will move to the Silver State Health Insurance Exchange (SSHIX) budget, B/A 101-1400.

**SPECIAL PURPOSE AGENCIES**

**SILVER STATE HEALTH INSURANCE EXCHANGE**

Silver State Health Insurance Exchange Admin — Budget Page HEALTH INS  
EXCHANGE-3 (Volume III)  
Budget Account 101-1400

**Bruce Gilbert (Executive Director, Silver State Health Insurance Exchange):**

I have provided a handout entitled, "Silver State Health Insurance Exchange" ([Exhibit E](#)). The SSHIX was established in the 2011 Legislative Session to create and administer a state-based health insurance exchange.

As stated on page 1 of [Exhibit E](#), our vision is to provide access to health insurance to all Nevadans. Our mission is to increase the number of insured Nevadans and our values are to be consumer focused, diversely involved, innovative and business friendly.

The State of Nevada in NRS 695I established a health insurance exchange to (1) maintain control of the insurance marketplace, and plan management and certification process, (2) reduce the cost of insurance for Nevadans by providing a less-expensive platform than the federal platform and (3) make policy decisions locally rather than by federal agencies.

The Exchange began open enrollments for consumers in October 2013. As discussed on page 3 of [Exhibit E](#), the operations did not go well. Technological failures occurred in enrollment, billing, premium collections and premium remittance issues. Anything that could go wrong went wrong. These problems were not unique to Nevada. Other states such as Maryland, Oregon and Hawaii had similar issues. Nevertheless, the reasons for establishing a state-based exchange remained strong.

On May 20, 2014, the Board of Directors of the SSHIX voted to become a supported state-based marketplace. As such, we have adopted the federal eligibility, application and enrollment platform. We have transferred the premium billing and remittance functions to the insurers. Nevada has retained control over the marketplace. Policy decisions, plan certifications, consumer assistance, education, outreach and marketing will continue locally as shown on page 4 of [Exhibit E](#).

To become a supported state-based marketplace, as described on page 5 of [Exhibit E](#), we integrated a new technology partner that is now responsible for the application and enrollment platform. They assure data integrity going forward and provide federal reporting functionality to the Internal Revenue Service and the Centers for Medicare and Medicaid Services (CMS). We established a technical pathway to connect carriers to the federal hub with benchmarks, testing and monitoring technical capabilities and stresses. Additionally, we provided outreach and training on the new system to our broker and agent communities.

The transition was a well-managed process. The Exchange had a multi-agency team that handled the project implementation strategy including CMS, the Center for Consumer Information and Insurance Oversight and a number of State agencies. We developed a project management plan that identifies and addresses the risks faced. We held weekly meetings to chart progress and make adjustments as necessary.

As described on page 7 of [Exhibit E](#), the result is a stable application and enrollment platform, providing insurance coverage to more individuals. We have retained control over Nevada's insurance marketplace. Policy decisions, plan

certification, consumer assistance and education, and marketing and outreach continue at the State level.

Nevada will experience a significant cost savings to our consumers by operating a state-based exchange. It is estimated that Nevadans will pay approximately \$800,000 less in fees in 2015 than they would have paid with the federal 3.5 percent of premium fee charged. The number of enrollees and the average premium for each insurance plan will drive this dollar amount. Unlike other states, the SSHIX is fiscally independent and sustainable. We operate on revenues derived from fees paid by insurance carriers who are on the Exchange and we do not receive General Fund dollars.

**Chair Kirner:**

Nevada's Qualified Health Plan (QHP) fee was \$4.95 per month, but because of lower enrollments, the fee was adjusted to \$13.00 per month. Does the QHP fee change when the enrollment numbers change? What is the process for adopting a fee change?

**Mr. Gilbert:**

The Board adopts the fee every year based on the annualized premium and enrollment numbers for that year. The Board will be setting the fee for the 2016 plan period this week.

**Chair Kirner:**

Do you anticipate a drop in the per month fee due to the increased enrollment?

**Mr. Gilbert:**

Staff is recommending SSHIX move to a percentage of premium, which would equal \$12.17 for the upcoming year. This is a significant reduction based on enrollment and premium levels.

**Chair Goicoechea:**

Considering the ability to adjust the fees, it appears your agency can be self-sustaining.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 30

**Mr. Gilbert:**

You are correct. Assuming we do a good job and we have enough enrollees, we will be a self-sustaining.

**Cari Eaton (Finance and Research Officer, Silver State Health Insurance Exchange):**

The budget overview begins on page 8 of [Exhibit E](#). For FY 2016 and FY 2017, the Exchange's only revenue source will be fees charged to insurance carriers for QHPs and standalone dental plans. In addition to the standard operating expenses, B/A 101-1400 includes expenses for 13 full-time-equivalents which is the smallest staff of any state-based exchange that oversees the individual market place in the Nation.

The Exchange manages the health plan certification, provides a robust navigator through the system, maintains the Nevada Health Link Website and provides Nevada-specific marketing and outreach across the State.

**Chair Goicoechea:**

Is the Exchange likely to remain a supported state-based marketplace?

**Mr. Gilbert:**

Yes.

**Chair Kirner:**

Are all the advantages we had as a state versus a federal system still in place as a supported state-based marketplace?

**Mr. Gilbert:**

We now have more advantages. We maintain control over the marketplace, complete all the plan maintenance and certification, and are able to oversee marketing and outreach. The greatest advantage of this hybrid model is that we are able to leverage federal technology underwritten with federal dollars. Nevada has a system it could never have afforded to build and maintain on its own. We have the best of both worlds.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 31

**Chair Kirner:**

Is the Exchange confident it has adequate staff to perform the plan certification? How many insurers do you have?

**Mr. Gilbert:**

We have five insurers; however, we are planning to expand. Until this point, Nevada's Department of Business and Industry, Division of Insurance (DOI), handled the plan certification in cooperation with Exchange staff. The DOI had federal funds to assist with their personnel costs and were able to hire contractors for portions of the project. Because of the compressed plan maintenance schedule for the upcoming year and tasks related to getting the Federal Exchange platform up and running, the DOI is no longer able to assist. As a result, the Exchange is hiring a person to fill an existing position, who will be dedicated to this task. Funds are included in the Executive Budget to hire contractors to assist in this enterprise. Consequently, I am confident we will be able to do this within the required time frames.

**Chair Goicoechea:**

Are you adding three contract positions with the \$109,200 each year of the biennium in your reserves?

**Mr. Gilbert:**

We will continue with the current project manager, the new full-time position, my executive assistant and contractors assigned to working on the plan certification.

**Chair Kirner:**

Does the federal government charge us a fee for using the federal platform?

**Mr. Gilbert:**

The federal government has not charged up to this point for utilizing their infrastructure. I expect the federal government will assess a usage fee sometime in the future.

**Chair Kirner:**

Are there any more grant opportunities?

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 32

**Mr. Gilbert:**

No.

**Chair Goicoechea:**

If the federal government does charge fees within the next 2 years, how will you pay the fees?

**Mr. Gilbert:**

We will not use General Fund dollars. We will find a way to fund the fees within our infrastructure and will continue to be self-sustaining.

**Chair Goicoechea:**

That concludes our presentation of budget items. Is there anyone wishing to provide public comment regarding the budgets discussed?

**Anna Zucker (Board Member, Board of the Nevada Arts Council):**

I am the development specialist and healing arts program coordinator for Renown Health and the newest member of the Nevada Arts Council Board. We recognize that healing requires more than expertise and technology, which is why we integrate the arts in treatment plans from the moment a person enters the facilities.

Many hospitals can be intimidating and scary, especially for children. The Healing Arts Program at Renown Children's Hospital collaborated with local schools, students and professional artists to create over 100 pieces of art for rooms and hallways. Our young parents and their families respond to this welcoming environment immediately. We see how it eases what is often a difficult and extended stay in our facility. Daily, our patients engage in art therapy and music therapy. In response to a bedside music performance, a patient wrote:

My morale was especially low today. I felt sad and angry to be here for another day, but after hearing her sing, and seeing genuine joy in doing so, my mood was immediately uplifted. It was so nice, a change of pace I needed. It made me feel so much happier and even a little healthier.



Thanks to NAC grants and programs, activities like the Healing Arts Program occur throughout the State. Even though it is one of the smallest agencies in State government, the NAC has remarkable reach and impact.

The Board of the Nevada Arts Council is thrilled that Governor Sandoval has continued restoration of the NAC budget. The restoration process, started last Session and supported by both Legislative and Executive Branches, was extremely critical. During the coming weeks, you will hear from our constituents who will explain just how critical those dollars are for arts education, community vitality and local economies. The NAC Board encourages this Body to explore the NAC's impact on the lives of Nevadans across Nevada. This agency generates countless benefits, and public dollars invested in the NAC are public dollars that invest in our people. My colleagues and I look forward to continuing this discussion with you throughout the Session.

**Tim Jones (President, Nevada Alliance for Arts Education):**

The Nevada Alliance for Arts Education is a nonprofit group of arts leaders, educators and advocates from throughout the State. It was my pleasure to serve for 12 years on the NAC Board. The most difficult years occurred during the Great Recession when so many of our State agencies had to reduce service to the public. Throughout those years, Nevada artists kept in touch with you and informed you what they were able to accomplish with fewer dollars.

The NAC budget began to increase again last biennium. I will briefly describe how members of Nevada's arts industry used those dollars to benefit Nevada. The Reno Little Theater, celebrating its 80th anniversary this year, received an increased Partners in Excellence Program grant and other support from the NAC in 2014. They used those dollars as part of their overall business strategy, which involved encouraging other investments. The Theater, which had been an all-volunteer operation for many decades, added three part-time jobs in 2014. Those jobs moved to full time just last month.

In southern Nevada, cultural tourism increased because of Boulder City's Dam Short Film Festival. Thanks to the increase in their Partners in Excellence Program grant, their film festival doubled from 5 to 10 days in length and audiences increased by 12 percent.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 34

At the Nevada State Museum in Las Vegas, Hispanic visitation increased significantly during an exhibit supported by the NACs Folk Life Program and increased dollars from the NAC budget.

Restoration of public support for the NAC leads to jobs, stabilization and readiness. Here in northern Nevada, our arts industry is anticipating the arrival of the Tesla factory and others who choose to relocate or expand here. They will bring families who want strong arts and cultural opportunities. The NAC and members of our arts industry want to ensure we are prepared to provide those opportunities. When the new families arrive in Nevada to work at Tesla or other companies, we do not want them to be impressed with our quality of life; we want them to be impressed with their quality of life.

Governor Sandoval has shown his support for investment in arts and culture by adding dollars in his 2015-2017 biennium Executive Budget.

**Shaun Griffin (Executive Director, Community Chest, Inc.):**

I have lived and worked in Virginia City for over 30 years and am an artist and a poet. I had the honor and privilege of writing and reading Governor Sandoval's inaugural poem in 2011. I am a former NAC Board member.

I am submitting testimony from Deon Reynolds ([Exhibit F](#)) sharing his story of how the NAC helped him establish himself as a Nevada artist whose work is now internationally recognized.

The arts are lifesaving. I volunteered to teach poetry for 25 years at the Nevada State Prison. I still go there every other week. Almost 90 percent of the individuals I have worked with have not returned to prison. I attribute this to treating them as human beings and the trust I developed with them during my workshops. They walked out as people, not inmates. Art saves lives. I am a strong supporter of the NAC. The NAC has come to the Virginia City community repeatedly and held strategic planning sessions to help us continue the arts in our small community. We need the support of the NAC.

**Ben Rupert:**

I am here to speak in support of the Stewart Indian School Initiative. My great grandfather was in the first graduating class of Stewart Indian School back in

the 1800s. My grandparents, John and Virginia Rupert, met at the Stewart Indian School. Using the trades they learned at the School, they started a family business called Rupert's Auto Body that has employed three generations of my family. My brother currently runs it, and we expect one of our children will carry on with the business.

Stewart Indian School is near and dear in the hearts of my family. I am actively involved in the school assisting with culture presentations and teaching the children traditional art. The school is beautifully intact. The rocks used to build the structures came from nearby mountains. Preserving Stewart Indian School is not just a winning situation for the native people; it is a winner for the entire State.

**Tia Flores:**

I am a fourth-generation native Nevadan, born and raised in Las Vegas. I moved to study architecture at the University of Nevada, Reno. During that time, I needed a part-time job. One of the jobs I had was with Valley Bank of Nevada. At age 24, I became a bank officer and was assigned as manager of a bank branch. However, this was a time of deregulation, mergers and acquisitions.

I left the bank to embrace my heart's joy as a working artist and arts educator. I attribute my success to a strong work ethic and being able to utilize the skill sets I learned as a young artist from my art teachers. Art teaches us how to be confident and courageous. Art teaches how to approach a problem with new ways of thinking.

I appreciate the employees of the NAC. They reach every corner of Nevada from nonprofits to individuals. They have affected my life and the lives of my students.

**Joe McCarthy:**

I live in Silver City and have been a resident of Nevada for 40 years. For nearly a decade, I was the Executive Director of the Brewery Arts Center in Carson City. For more than a decade, I was the Economic Development and Redevelopment Director Carson City. Currently, I am a full-time volunteer.

The following are the reasons why the NAC is essential to the economic and social well-being of our State:

- A fully funded State arts agency ensures all Nevada communities, regardless of their geographic location or economic status, are equitably served.
- Other funding mechanisms cannot do the same work as NAC.
- Local government funding tends to concentrate in areas of Nevada with larger populations and greater wealth.
- 
- As a counterpoint to that, the NAC is skilled and positioned to provide equitable leadership and support to all areas of the State.
- The NAC is impartial, without partisanship or favoritism.
- The NAC staffers possess specialized expertise in cultural planning and community outreach.

Most recently, Mary Works Covington, the NAC community development program coordinator and Susan Boskoff, the executive director, conducted a community workshop in Silver City helping us identify our resources and training us to successfully plan for and act on our future. As a result, we launched a series of actions that continue to this day. Mary and Susan put us on the path to reshape our cultural character and boosting our civic pride.

Thanks to the help of NAC, we now have (1) a cultural resources inventory of the entire Comstock, (2) a Silver City Arts Committee that presents and produces arts and science programming for all ages, and (3) a work in progress: the recreation of a local arts agency to act as the heartbeat of our cultural DNA.

The NAC is an agency of expertise and commitment. It provides a service of greater good for all Nevadans, especially those communities that are otherwise underserved, but not to be undervalued. Please support NAC in furthering their efforts.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 37

**Gracie Dick:**

I support the Stewart Indian School Living Legacy Initiative. I am here to speak on behalf of my many family members and others, who have attended Stewart Indian School. Many good and bad things happened to the children brought to this school at a young age. Making this school a living legacy would give them honor and opportunity to tell their stories.

I am a member of the Paiute tribe. I know the customs, language, plants and animals important to our people and want to preserve this knowledge for our children. Please join me in support of the Stewart Indian School Living Legacy Initiative.

**Meg McDonald (Member, Stewart Advisory Committee):**

I support the Stewart Indian School Living Legacy Initiative. Like the previous speaker, I had many family members who attended Stewart Indian School with good and bad experiences. I loved Governor Sandoval's State of the State speech and appreciated the diversity in the message he delivered.

Senate Committee on Finance  
Assembly Committee on Ways and Means  
Subcommittees on General Government  
February 11, 2015  
Page 38

**Chair Goicoechea:**

I am submitting testimony from Bonnie Thompson ([Exhibit G](#)) and Katie Bloom ([Exhibit H](#)) for the record in support of the Stewart Indian School Living Legacy Initiative.

Hearing no further comments, this meeting is adjourned at 10:36 a.m.

RESPECTFULLY SUBMITTED:

---

Jackie L. Cheney,  
Committee Secretary

APPROVED BY:

---

Senator Pete Goicoechea, Chair

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

APPROVED BY:

---

Assemblyman Randy Kirner, Chair

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

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit</b>		<b>Witness or Agency</b>	<b>Description</b>
	A	2		Agenda
	B	5		Attendance Roster
	C	48	Department of Tourism and Cultural Affairs	Nevada Department of Tourism and Cultural Affairs Preserving History, Celebrating Today, Innovating for the New Nevada
	D	24	Department of Tourism and Cultural Affairs, Nevada Arts Council	Nevada Arts Council Annual Report FY 2014
	E	16	Silver State Health Insurance Exchange	Silver State Health Insurance Exchange
	F	1	Deon Reynolds	Testimony
	G	1	Bonnie Thompson	Testimony
	H	1	Katie Bloom	Testimony