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**NEVADA DIVISION OF STATE PARKS**  
**SB 144 Senate Government Affairs Presentation**  
**February 28, 2003**  
**by: Steve Weaver, Chief of Planning & Development**

Since its creation by Congress in 1965, the Federal Land & Water Conservation Fund (LWCF) Act has funneled nearly \$35 million to the State of Nevada and its political subdivisions for recreation facilities development, rehabilitation and parks acquisition. Nearly every state park and dozens of county, municipal and even GID parks have benefitted from the program, beginning with acquisition of 3 miles of Lake Tahoe shoreline by the State of Nevada in 1967 to numerous ballfields, playgrounds, swimming pools, picnic areas, etc. around the state...some 175 projects to date. Traditionally, these funds have been split between State Parks and the political subs. However, the Division of State Parks is solely responsible for administering the program on behalf of the State of Nevada and its political subdivisions.

Meeting all of the federal requirements for administration of the program and maintaining eligibility is time consuming, even during years when federal funding was non-existent, such as 1995-99. But, in the year 2000, funding was reinstated to the tune of \$453,000. In 2001, it grew to \$1.04 million. In 2002, the federal allocation to Nevada was nearly \$1.7 million. Because new grants are disbursed to political subdivisions each year and projects usually take several years to complete, the workload tends to be cumulative.

Routine administrative requirements for the LWCF program include: solicitation of political subdivision grant applications, updating mailing lists for eligible sponsors, writing state applications, providing technical assistance to political subdivisions, revising the state grants manual, evaluating and prioritizing political sub's grant applications, pre-award project site inspections, presenting recommendations to the Nevada Advisory Board on Natural Resources (which is charged with providing citizens' oversight of the grants award process), processing grants recommended by the NABNR and the Division Administrator through the National Parks Service, issuing award notices, reviewing and approving project construction plans and estimates, evaluating acquisition appraisals, processing grant reimbursement requests, project completion inspections, and auditing fulfillment of grant conditions by political subdivisions, as well as the Division of State Parks.

Unfortunately, since 1986, we have had no full-time position dedicated to the administration of the LWCF program. And, since FY 2000, "we"...or I should say "I"...have struggled to fulfill the administrative requirements, *largely on donated time*. Keeping in mind that I already have more than a full-time job with my many other work responsibilities, I cannot continue to *donate* a sufficient amount of time to administer this program *indefinitely*. The point has now been reached that I need some full-time help (a *Grants Analyst II*), and the Division needs to have its budget augmented for program administrative costs. Without this help, I am concerned about the State eventually losing its eligibility for the program. I'm already forced to neglect a number of requirements that will likely come back to haunt us after our next federal audit. And, I suspect that you, just like myself, would really hate to see the State lose over a million dollars per year of federal assistance simply because of the lack of means to administer the program.

Realizing the dearth of State General Fund monies, I have researched alternative funding mechanisms to meet LWCF program administration requirements. The "direct cost reimbursement" alternative is available for many federal programs, whereby the feds would cost-share all or part of the administrative costs. Unfortunately, the controlling bureaucracy in Washington has so far dug in their heels in resisting this funding alternative for the LWCF program, which would provide that 50% of the administration costs would be covered with federal funds, while the State and its political subs would match the fed's share as part of each grant. Eventually, I am hoping that with the help and persistence of other states of like mind, that we will eventually prevail in overcoming this resistance.

In the meantime, a somewhat less palatable alternative would impose a surcharge on each grant recipient, including the Division of State Parks, to cover the administrative costs. Modeled on a program already in place in Arizona, this alternative would base the surcharge on a percentage of the federal grant awarded. At 2002 funding levels, this would result in an approximate 4.75% cash surcharge to all grant recipients that would have to be financed entirely with non-federal funds that would not be eligible to match the federal funds. This percentage will vary from year to year, based on the federal funding allocation, and would be pegged at the amount needed to cover the administrative and staff costs. The resulting impact on all grant recipients would be that they would actually be exceeding the normally required 50% match by the amount of the surcharge. In other words, at FY 2002 funding levels, a grant recipient would have to put up \$54,750 in exchange for a \$50,000 federal grant for a total project amount of \$104,750.

Because State Parks would also be obligated to contribute towards this surcharge for any of its own projects that are awarded a LWCF grant, SB 144 also expressly authorizes the Division to utilize whatever state matching fund source it has at its disposal to meet this obligation. In most cases for the foreseeable future, the state matching funds for LWCF grants will be Question 1 bond monies.

In closing, I'd like to emphasize once again, that without authorization of these funding mechanisms to cover the Land and Water Conservation Fund grant program administrative costs, we will lose the program and the federal funds will be distributed to other states that are willing to cover the administrative costs.