

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

**Eighty-Second Session
March 2, 2023**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on General Government was called to order by Chair Sarah Peters at 8:06 a.m. on Thursday, March 2, 2023, in Room 2135 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412E 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/App/NELIS/REL/82nd2023.

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Sarah Peters, Chair
Assemblyman Cameron (C.H.) Miller, Vice Chair
Assemblywoman Shea Backus
Assemblywoman Tracy Brown-May
Assemblywoman Heidi Kasama
Assemblyman P.K. O'Neill

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Dina Neal, Chair
Senator Pete Goicoechea
Senator Dallas Harris

SUBCOMMITTEES MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



Assembly Committee on Ways and Means
Senate Committee on Finance
Subcommittees on General Government
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STAFF MEMBERS PRESENT:

Wayne Thorley, Senate Fiscal Analyst
Brody Leiser, Assembly Chief Principal Deputy Fiscal Analyst
Yuriy Ikovlev, Program Analyst
Tyler Boyce, Committee Secretary
Janet Osalvo, Committee Assistant

OTHERS PRESENT:

Brenda Scolari, Director, Department of Tourism and Cultural Affairs
Stacey Montooth, Executive Director, Nevada Indian Commission, Department of
Tourism and Cultural Affairs
Myron Freedman, Administrator, Division of Museums and History, Department of
Tourism and Cultural Affairs
Daphne DeLeon, Administrative Services Officer, Division of Museums and History,
Department of Tourism and Cultural Affairs

Chair Peters:

[Roll was taken, and the Subcommittees' rules and protocol were reviewed.] We have several budgets today, all under the Department of Tourism and Cultural Affairs. We are going to go ahead and let Director Scolari go through her presentation. We will take the Division of Tourism-related budgets first and then move into the other budgets and ask questions along the way.

Brenda Scolari, Director, Department of Tourism and Cultural Affairs:

On behalf of the Division of Tourism, I thought I would briefly review what our budgets do for the state. We promote visitation to Nevada to support vibrant tourism economies statewide. We do that with the goal of enriching the lives of Nevadans through local spending [page 2, [Exhibit C](#)].

We do that through categories of work that include marketing, research, public relations, tourism industry development, and the publication of *Nevada Magazine* [page 3]. That work is led by a guiding document. Our strategic plan [page 4] has the following programs: evolution of the Travel Nevada brand; destination development, which I will talk about a little bit later; visitor experience, which supports hospitality training, resources, and outreach; industry relations; Discover Your Nevada, which is a campaign specific to residents; and domestic and international market development.

COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - TOURISM DEVELOPMENT FUND (225-1522)
BUDGET PAGE TOURISM-14

Brenda Scolari, Director, Department of Tourism and Cultural Affairs:

We have a bit of a reorganization that is supported by some of the enhancements we will talk about today, and one of them is the creation of budget account (BA) 1520 [Tourism and Cultural Affairs Admin] [page 5]. Budget account 1520 will hold all the departmentwide operating expenses, all our lodging tax transfers to the cultural agencies in the Department, and personnel who serve multiple divisions. That work happens now, but those positions are currently paid for out of the Tourism Development Fund budget account. Budget account 1522, which currently exists, will become the Division of Tourism budget account and will hold all the operating expenses related to tourism. The 10 positions that would transfer from BA 1522 to BA 1520 would then be specific to administration and do work for the entire Department including things such as: strategic planning implementation and reporting; public affairs; marketing; fiscal management; and information technology.

Decision unit enhancement (E) 226 will create a deputy of tourism position [page 6]. Right now, I serve as Director of the Department, as well as Director of the Division of Tourism. This will create a deputy of tourism to share the burden of work. We hope to offset that new position by eliminating two administrative assistant II positions that have been unfilled for some time. Those positions were part of the COVID-19 layoffs that happened in our Department, unfortunately. We always have some trouble filling those positions, and we hope to have our remaining administrative assistant III take on many of those tasks.

COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - DESTINATION DEVELOPMENT (225-1523)
BUDGET PAGE TOURISM-41

Brenda Scolari, Director, Department of Tourism and Cultural Affairs:

For the Destination Development budget, I will touch on and describe it a bit, as that is one of our enhancements [page 7, [Exhibit C](#)]. The concept of destination development is that we go into communities and ask local stakeholders to create a long-range tourism asset plan and then fund the priorities of that plan. We are currently engaged in our first cycle of destination development funding [page 8] with funds from the U.S. Department of Commerce's Economic Development Administration (EDA). That work is evaluated by a working group in which Travel Nevada staff are joined by the staff from: the Division of Outdoor Recreation; the Governor's Office of Economic Development; the University of Nevada, Reno (UNR); the U.S. Bureau of Land Management; and the Nevada Outdoor Business Coalition. We also seek additional guidance and advice from the Office of Historic Preservation, the Nevada Indian Commission, the Division of Museums and History, and the

U.S. Department of Agriculture, when necessary. Those six projects are, as I said, currently in process of the evaluation to create a plan, and then the final award will happen in FY 2024.

In decision unit enhancement (E) 233 [page 9], we are seeking to fund destination development grants on an ongoing basis, essentially. Starting in FY 2025, we had hoped to award \$1 million a year through the program. The next application cycle for this lodging tax-funded award would be in February and/or March of 2024 and distributed in FY 2025. As I said, this ongoing investment helps our communities be better places to live and work.

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - NEVADA MAGAZINE (530-1530)
BUDGET PAGE TOURISM-36**

Brenda Scolari, Director, Department of Tourism and Cultural Affairs:

Nevada Magazine has long struggled to be fiscally healthy. In statute, it is an enterprise fund, so it must support itself as a business. Decision unit enhancement (E) 900 proposes the merger of the *Nevada Magazine* budget account with the Tourism Development Fund budget account [page 11, [Exhibit C](#)]. What this will do is absorb the personnel of the magazine into the marketing team of Travel Nevada, and those people—who are extremely skilled writers, photographers, very knowledgeable about the state—will then lend those skills to the overall marketing effort. We hope that any advertising revenue that we do collect is promising.

We publish the magazine quarterly now and distribute well over 200,000 of them. It has been very popular. The new publication is a hybrid product. It is the traditional long-form *Nevada Magazine* and then also a trip planning resource. With any advertising revenue that we do collect, we would like to start to create educational materials for students and join some of our sister agencies—like the Nevada Department of Wildlife and the Division of State Parks—and deliver educational material to students, so that they can begin to explore Nevada and see all our state parks and museums and discover all the wonderful ways they can be a better Nevadan. That is all for my presentation. I am happy to take any questions.

Chair Peters:

Are there any questions from Subcommittee members?

Assemblywoman Backus:

Can you please discuss challenges in the daily activities and operations of the Department, and the anticipated benefits and efficiencies of establishing a new Tourism and Cultural Affairs Administration budget?

Brenda Scolari:

I have always had to prioritize the tourism work, since I am the Director of Tourism. The tasks fall more heavily in that area. Since the Department was formed, we have always felt

that has been a little bit lopsided. I would love to have the opportunity to do more strategic planning with the cultural directors. I think there is some opportunity to do some sponsorship development for our state museums that I could help with. I also currently administer all the federal funding that we have acquired. We do not have any staff to do that. Angie Mathiesen—my fiscal manager—helps me, but it is the two of us handling that right now. I think as we layer on those tasks, there is much we could do to expand the potential of the Department if I had another deputy to help with it.

Chair Peters:

In these budgets, as we are hearing of the recommended elimination of the support positions—I am wondering about the workload that has already been spread among staff and the sustainability of that. I want to make sure that we are doing what we need to do to support your folks in getting their job done and being able to feel like they can do their job. With the elimination of these two administrative assistant positions—I realize they are lower-paying positions—do you feel like your staff is able to take on the current load and help build the tourism goals you have?

Brenda Scolari:

I believe they are. We have learned to be a little more resilient. All of us have often taken on more than one job. The Department and the Division, even historically, I think those lower administrative, more entry-level positions, have been difficult to fill with reliable people. That time spent training them, and the oversight, takes away from the other prioritized items of workload. I feel like we can do it. I think we have learned how to do it. We are looking forward to filling the administrative assistant III position who will perform a lot of the tasks—filling out forms, reporting, and being assisted daily with management of projects—that sort of thing. We do look forward to that with the administrative assistant III position in the Division.

Senator Harris:

How was the recommended salary level determined for the new deputy director position and what existing state positions were used as a comparison to that salary level?

Brenda Scolari:

I looked at other deputy director positions for an average. I looked at the State Department of Conservation and Natural Resources. I am now forgetting the other ones I looked at. I think I looked at three, but that was an average. I, of course, defer to the Subcommittees to determine what the appropriate salary level would be.

Senator Harris:

Could you confirm for us that the agency would continue to have sufficient resources if the recommendation to eliminate two vacant administrative assistant positions is approved?

Brenda Scolari:

Yes, we would. I have talked to staff about it, and I feel that everyone is comfortable with the level of work they are currently doing, and as I said, they could use administrative help, but I think that one position is going to be satisfactory.

Chair Peters:

I know the value of these administrative positions can be so great, especially when you are growing, having someone to manage those day-to-day tasks while you are designing and developing programs and ideas. It is invaluable, for sure.

Assemblyman Miller:

My questions are in relation to the recommended transition of the magazine. Can you discuss the agency's efforts and progress towards financial stability of the *Nevada Magazine* budget as well as any challenges to reach and maintain its financial stability?

Brenda Scolari:

We have, over the past three years, attempted a few things. One of them was digital advertising, but the subscribers and the visitors to the website did not support that effort well enough to bridge the financial gap. We essentially have done freelance design work for some of our tourism partners—designing and publishing brochures and guides, that sort of thing. But really, I have always felt that detracted from their mission, which is to educate both residents and visitors about Nevada, and when they are spending so much time trying to build that kind of side revenue, it detracts from those priorities.

Assemblyman Miller:

If I remember correctly, and when we met, you mentioned that most copies are now going out-of-state. Is that correct?

Brenda Scolari:

That is correct.

Assemblyman Miller:

Do you know about how many are going out-of-state versus within the state?

Brenda Scolari:

I will ask my deputy director that question. Most of them do. You can sign up to have the magazine delivered on [TravelNevada.com](https://www.travelnevada.com). Most of them are mailed to those recipients. We do have the guide distributed to racks throughout the state, at some of our border entry points, in airports, that sort of thing. We have a list of common distribution points, but the majority are out-of-state.

Assemblyman Miller:

The majority are going out of state, so I am curious; in seeking advertisements and advertising dollars and things like that—and I think we talked about this—have we reached out to travel companies like airlines that are bringing those folks who are receiving the magazine out-of-state? I feel like that could be another significant source of potential advertising revenue.

Brenda Scolari:

I agree with you. I think that is a good idea. And yes, we do need to further develop the advertising revenue base. There is an opportunity to do that, and we are going to pursue it.

Assemblyman Miller:

Good, because I think it is a great magazine. It is exciting to hear that the majority of people requesting the magazine are out-of-state because we are a tourism state. We need everybody to know as much as they can about what is happening in our state. With the transition, can you share with us what the benefits would be to the state with the continued production and distribution of the *Nevada Magazine* and Nevada Visitor Guide, and how these benefits are measured?

Brenda Scolari:

The benefits are measured a few ways. Some of them are, of course, anecdotal. We do have, whenever possible, ways to drive the readership to [TravelNevada.com](https://www.travelnevada.com), so we can accurately track them digitally. We have used QR codes in the magazine. We use links. Obviously, the number of magazines that are ordered is a way to do that. It is always tricky with print publications. It is the least trackable medium in advertising. We try to do it; we try to work it in so that we have some ways to do that.

Assemblyman Miller:

For the local businesses—Nevada-based businesses that are advertising—do we follow up with them to find out what type of benefit they are getting? If they are seeing tourists come in, do they scan the QR code or do they have a promo code, so that we can get an idea of how the magazine is helping them?

Brenda Scolari:

We have surveyed advertisers; we did that at the beginning of the assessment of the financial health of the magazine. We did another one, in terms of the benefit and their satisfaction with the content. We did survey them for some of the changes that they would like to see, but we could certainly do that more often.

Assemblyman Miller:

I think that would be helpful for the businesses that are advertising locally to at least know, and then also for us. We will know what the reach is and how effective it is in supporting our local businesses. Can you please discuss the anticipated efficiencies, as well as

operational changes that would occur, if the Governor's recommendation to merge the *Nevada Magazine* budget to the Tourism Development Fund budget is approved?

Brenda Scolari:

What we would like to do is create what we are calling a "content studio." With all our creative staff, working together as a team, we can take the long-form content created in the magazine and develop a workflow to parse that out into all the other content channels that we have—TravelNevada.com and all our social channels. We work with media partners to develop content, so it is really working smarter, in my opinion, and better utilizing staff. Occasionally, we have duplicated efforts if the *Nevada Magazine* team is out covering a certain community or an event or a new attraction and Travel Nevada is doing the same thing. It is not very efficient.

Assemblyman Miller:

With the transition of the magazine into the Division of Tourism, you are not planning to stop the advertising procurement, right? We are still going to go after advertising dollars. You want to refocus the use of those dollars?

Brenda Scolari:

Correct, and the intent is to relieve the staff of the burden of pursuing advertising to make payroll. As I said, I think there is potential there, and we do want to capture that revenue. I also think there will be enough efficiencies that we could potentially have fewer billable hours from outside consultants if we have an effective inhouse creative team.

Senator Neal:

I have two questions. One is regarding the Reno-Sparks Convention & Visitors Authority (RSCVA). What is the line between what you do and what they do, and where do they partner with you when it comes to Reno and Washoe County tourism that needs to be developed? I was listening to you talk, and 10 years of Assembly Committee on Government Affairs memory shot right up, and I was thinking, "It is duplicative." I know you are statewide, but what is your partnership with the RSCVA?

Brenda Scolari:

They cover Washoe County. That is their tax base, so those are their constituents. We work with them often—that is one of our drive market hubs—and obviously Reno-Tahoe International Airport is the entry point for northern Nevada. We rely on them to be the experts in Washoe County. Because we know and market the entire region—Carson Valley, Lake Tahoe, Virginia City, and beyond—we partner with them often to supply them with some information about those areas. We do a lot of domestic missions together. We used to call them "sales missions." We are not really selling Travel Nevada when we do it, but we are inspiring people to book stays. That is the whole point of it, and we partner all the time. Our Reno-Tahoe territory has many of the RSCVA staff on it. We really do consider them a partner in the same way we partner with the Las Vegas Convention and Visitors Authority

(LVCVA) in the south. They do a great job of marketing their metro centers, but we want them to market those extended stays in the rest of the state.

Senator Neal:

Where do you share dollars in the marketing goals, or do you share dollars at all? You have LVCVA in the south, and we have seen their budget, and you have RSCVA in the north. If you are struggling with the *Nevada Magazine*—which has been ongoing for a while—where is the crossover in the share of money? There should be, or I believe there should be.

Brenda Scolari:

They receive the lodging tax that goes directly to the local municipality, which always happens. We get the 3/8 of 1 percent statewide. When we go on a domestic mission together or attend a trade show together, sometimes we will share costs. Sometimes we will have receptions with invited tour operators—people who we are both targeting, who have interest in the area—and we will share the cost of those. We are currently working on what we call the "leisure program," which is to entice people who are already committed to attending conferences and meetings in Reno, to be educated about the entire region so that they will extend their stay beyond the meeting or the conference in the area. We are going to cosponsor the cost of that.

Senator Neal:

For LVCVA, what is the crossover relationship? They have a significant budget that covers a large region in the south. When we talk about tourism partners—where are your partners in the LVCVA relationship relative to the work that you need to perform and how you can develop your marketing dollars and strategy, so that in the south, in Clark County, that marketing and advertising effort is better supported?

Brenda Scolari:

The LVCVA does have what we would call a "rural programs manager," and we work with her in some of the smaller communities in Clark County, like Boulder City and Mesquite. Though they do have that—they are tasked with marketing those smaller communities—that is really the overlap. We focus on some of the smaller communities in Washoe County as well, and work together to get those extended stays. As I said, most people, when they fly into Las Vegas, want to stay in Las Vegas proper, and we work together to focus on getting them out in the state.

Senator Neal:

I am probably going to talk to you offline about this overlap. You mentioned the federal grants that you must administer. Are there federal grants—other than ARPA one-time grants—that you are administering? The ARPA funding is new. Are there other grants that we are not aware of?

Brenda Scolari:

I am administering the state's Economic Development Administration (EDA) award for tourism and outdoor recreation, and I am also administering a competitive EDA award for adventure centers.

Chair Peters:

I had another question related to the movement of funds and the reorganizing of how the magazine is funded. Do you think you will need to modify your bill draft request to address those advertising funding streams, since we are moving your base funding from a different category? Do you still have authority, if you move your funding mechanism to accept those advertising dollars and use them?

Brenda Scolari:

Yes. A statute revision would be necessary. I did suggest those revisions.

Chair Peters:

Thank you for clarifying that. On the Destination Development budget, I have two questions for you. My first question is, can you provide a status update on the destination development grant, including the anticipated date for all ARPA state tourism grant funds to be expended?

Brenda Scolari:

Those must be expended by November of 2027.

Chair Peters:

Where are you in the process of distributing those funds?

Brenda Scolari:

We are working with three awardees first. Our first cohort will be funded—the funds will be distributed by July. In 2024, we will begin the process with the second cohort and hope to do that—make the final awards—by the end of the year.

Chair Peters:

That sounds good. Three awards, though? How many applications did you get?

Brenda Scolari:

It is six total, for the \$2 million. We had 16 applicants.

Chair Peters:

Can you give us an update on why 10 of those applications did not get accepted? Were you limited by the number of dollars, or was it that those applications did not meet criteria?

Brenda Scolari:

It was a mix of both. We had a rubric for scoring, and some of them did not meet all the eligibility requirements. We hope to foster those applicants and guide them to be ready for the next grant cycle. I do not think we are going to give up on any of those concepts. I think some of them were not fully developed.

Chair Peters:

I hope that we can work with them. I think grant applications are a beast. I know even our agencies sometimes have a hard time meeting the criteria for certain grant applications. I look forward to seeing those folks succeed if they can. Are there any other questions from the Subcommittees? [There were none.]

We are ready to move on to the next set of budgets.

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - INDIAN COMMISSION (101-2600)
BUDGET PAGE TOURISM-27**

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - STEWART INDIAN SCHOOL LIVING LEGACY (101-2601)
BUDGET PAGE TOURISM-31**

Stacey Montooth, Executive Director, Nevada Indian Commission, Department of Tourism and Cultural Affairs:

I have had the pleasure of addressing this group as recently as Valentine's Day. Everyone was involved with Nevada Tribes Legislative Day, so I did not bring in slides. I think all of you know, without getting into the weeds too much, the Nevada Indian Commission was created by statute in 1965. Our charge is to improve the quality of life for our 28 federally recognized tribal nations and the urban Indians who choose to make Nevada home. In the latest census, that number reflected 105,000 constituents. The Nevada Indian Commission focuses on four specific areas: health and human services; education; the environment; and economic development again, for those 105,000 people who are the first managers, the first caretakers of this land. The other huge focus of the Nevada Indian Commission is operating the Stewart Indian School Cultural Center and Museum. I am happy to answer any questions about what I believe are the three significant enhancements for either budget 2600—the Nevada Indian Commission—or budget 2601, the Stewart Indian School Living Legacy budget.

Assemblywoman Backus:

My question circles back to the \$20 million in grant funds that were provided for COVID-19. We had recognized that the \$20 million got put into both FY 2024 and FY 2025. Has an

amendment been submitted to the Governor's Finance Office (GFO), and what is the status on removing the duplicated \$20 million from COVID-19 funding? Also, what is the status of working on those grants for the tribes?

Stacey Montooth:

Let me start with the appearance that the Nevada Indian Commission is going to be the recipient of two separate funding opportunities: \$20 million, not just in the current fiscal year, but moving forward. Working closely with the Legislative Counsel Bureau (LCB) and with our fiscal team, there evidently is an idiosyncrasy, if you will, with the software, and that reflects that this would be a two-time funding opportunity, which is not the case. The Nevada Indian Commission was granted \$20 million last year—still during the Sisolak Administration—and that is one-time funding from the Governor's recovery funds or the federal ARPA dollars.

Regarding your second question about how the process is going: quite frankly, it has been much more complicated than I thought it would. Chair Peters, you mentioned the difficulties in applying for grants. There is such diversity in our 28 tribal nations. We have a handful that have great infrastructure, and they have a robust staff, and filling out a 50-page grant application is all in a day's work for them. We have at least six tribal nations that are struggling to make sure that their phone bills are paid. Having an extensive in-depth application is really a struggle for them.

My intent—my naive intent—was that we were going to transfer \$700,000 to 28 different bank accounts. However, again, working with our fiscal team, working with LCB, working with the GFO, I have learned that the state has a rigorous process. We have a plan to meet with several experts, several professionals in the GFO, including a grants management expert. We must go through the requirements templates; we must talk about the reimbursement process. Again, I thought we were distributing money.

It turns out the state requires our tribal nations to only get up to 25 percent of that \$700,000. We must go through the reimbursement process, as well as staffing and administrative costs. The Nevada Indian Commission is powered by five people. I thought that would be plenty, including our new program officer, to distribute \$700,000 to 28 different tribal governments. The LCB and the GFO have informed me that we must have personnel to oversee that. That means contracting with someone who can oversee not just the application, but the progress. Again, this \$700,000 will go out with a successful application. They get 25 percent of the \$700,000, and then must prove that they are spending it in a fiscally responsible way, which means they must have documentation, and we must have on-site visits to do that. Unfortunately, it is much more complicated, Assemblywoman Backus, than my original hope.

Assemblywoman Backus:

I want to follow up because I think some of the smaller tribes—like you were saying, the ones that have a hard time paying their phone bills—are probably the ones more at need for these dollars, whereas the sophisticated tribes have other economic revenues. I wanted to make sure because I would hate to see those smaller—I am assuming smaller—tribes that do not have the economic funding, do not have to upfront their own dollars, and that the 25 percent that they are first funded could show they are going to get that money first. They are not going to have to spend their own money that they may not have to receive grants because I heard the word "reimbursement" and I got nervous.

Stacey Montooth:

I too was nervous when I heard that. I did learn from an administrative services officer with the GFO that there is a precedent: there have been occasions in the past where Nevada has granted those grants upfront. We will be working hard to make sure that happens, in those specific instances where our tribal nations do not have the staff to complete paperwork and all the rigorous requirements that the state has set up.

Senator Neal:

Regarding the contracting you are going to have to do for the smaller tribes, have you estimated what that cost is going to be to find someone who will help them? Ultimately, it is like you are sitting with the money, but without the money; and then you must find a person, pay the person, and then ask for a reimbursement for that cost. Is that how it is going to work?

Stacey Montooth:

What I know is that the professionals in the GFO, our fiscal team, have conveyed to me that typically—I believe it was at least 3 percent, sometimes up to 5 percent of grants—can be spent on administrative costs. I have also learned that the best approach for our agency is to use a contractor. I have the names of two different organizations off the top of my head. I remember Manpower to contract with someone who has not just fiscal experience, but in this instance, is going to provide oversight, work with our tribal nations, and who is familiar with Indian country. Someone who knows exactly who and where to get to connect with the Yomba Tribe. I cannot imagine that the administration of this would cost over \$300,000, which is little compared to a \$20 million grant. Can I remind you that our whole entire agency runs on about \$650,000? We are used to doing a lot with little.

Senator Neal:

I understand doing a lot with a little, but what I am trying to figure out is that if it is a drawdown, which means that \$300,000 must be expended from your budget, and then you must ask for reimbursement to then assist the tribes. Ultimately that leaves you with \$350,000 for your budget. That has nothing to do with the \$20 million. How long will it take for you to be reimbursed if you do the upfront fiscal management for the tribes?

Stacey Montooth:

With all due respect, Senator, may I respectfully request that I be able to come back to you with that answer? Again, we have had two meetings planned to discuss the requirements for the grant opportunities with this \$20 million, and unfortunately, we have had to cancel twice. I would absolutely be happy to pose that question directly to the experts in GFO and LCB to get that answer.

Senator Neal:

What I am understanding is that reimbursement is not required, that it can be done in a different manner, and I am wondering why they are doing it that way. It is almost like the one-time funding that was perceived as this amazing grant to the tribes is becoming more complicated and will slow it down.

It might even be an option for the Subcommittees or the larger Committee to consider swapping the ARPA funds and giving a one-shot of \$20 million that you can manage without all this foolishness, because your charge is to have to manage the economic interests and welfare of the tribes. I feel like maybe we should be considering a different way because we are—although, amazing—we gave you something that is going to be difficult for you to implement and bring to fruition, I believe, even within 12 months, which creates a problem.

That is food for thought for the Subcommittees, that if we can do a one-shot—swap it—we know how to manage \$20 million or to give it to someone who does. I think it is unfair, but we also need to get an answer on if it is not. If there is a way not to do it in a reimbursable way, then the GFO needs to switch the way they are making you do it, if there is a cleaner way and simpler way for you to do this.

Senator Goicoechea:

Ms. Montooth, I had a number of my constituents in the office in the last couple of weeks and I think what we are really breaking down—you hit it—we have got smaller tribes. I got complaints from Elko Colony and Battle Mountain Colony, the Goshutes, the South Fork—again, there does not seem to be enough consultation with these smaller groups and your office about how this is going to work. I hear you say you are going to have meetings—I think you need to get back to the 28 tribes first and foremost and get some consultation in place because some of the smaller tribes are feeling left out. What I am saying is, you are going to have to get your game plan in order before you come to us and say, "Ok, we understand we have got the \$20 million, this is how we plan to grant it out." It will be a grant cycle, and I recognize the difference in tribes, between Yomba and Yavapai and the Te-Moak in the south—they all think they are entitled to a piece of this, and they are, but how are they going to get it? What I am hearing on the ground level is that you do not have the interaction going on between the 28 tribes that you are going to have to have in order to grant this money out. What are your thoughts on that?

Stacey Montooth:

I appreciate that feedback, Senator. Working through the Inter-Tribal Council of Nevada (ITCN)—sort of the "United Nations" of our tribes—we have had three robust discussions about the best way to distribute the money. You all are probably aware that, during the pandemic, the federal government provided direct funding to all 574 federally recognized tribes. The United States Treasury has a very complicated formula for that distribution. It includes how many tribal citizens each government includes, how many employees that tribal government oversees, and it involves land base. Through the discussions that I have been moderating with our tribal leaders, which did not include all 28 at both sessions, it was overwhelmingly decided that it should be equal, that Lovelock Colony should get the exact same amount as the Las Vegas Paiute tribes. Perhaps that is where my naivety thought, "Okay, we are going to cut 28 checks"—\$700,000 to everybody.

Senator Goicoechea:

Thank you for that, and I understand what you are dealing with. It is not truly apples and oranges, but I just want to make you aware that a lot of my constituents, the people I am talking about in eastern Nevada, are very dissatisfied with how this is going to work. I agree with you: a simple grant. It should be adequate, but I know it will not be, so thank you.

Chair Peters:

This is a robust conversation that gets to my final question for you, Ms. Montooth: does your office have a clear path to growing the services of your agency? Could you grow, and where would you go first if you did grow? What would you want to have first: would it be a grant manager, or would it be additional services that you could offer? Where would you like to see resources go in your agency to help address a lot of the problems that we have talked about today? You and I have had conversations offline as well about some of the limitations of our state's status with our relationships with our tribal nations. I am curious if you could give us an idea?

Stacey Montooth:

I believe you are aware that the Nevada Indian Commission has a five-person advisory committee. With that leadership, again, we focus on the three Es—education, economic development, and the environment—and health and human services. Having grown up in the state—a citizen of the Walker River Paiute tribe, public educated—I have always thought that education is our silver bullet. It was not until about five years ago that I had an amazing tribal leader tell me, "Well, Stacey, if we do not have our health, it does not matter how good our schooling is." I would suggest that our biggest need is for a health and human service expert. There is a really big misunderstanding—not just in our state, but nationwide—that Native Americans get health care for free, and that is not the truth. Like our rural communities, access to preventive health care is difficult. Certainly, technology is helping, and telehealth is really impacting some of our communities, but we have most of our tribes without stable internet. So, if I could make a list of priorities, my dreams, one of the first

things would be to have a health and human services expert in the capacity of a management analyst for our team and grow in that similar fashion with an expert in education, an expert in economic development, and an expert in environment.

Senator Neal:

I am not trying to drag this out too long, but when I listen to you say the health care expert and the broadband, I remember that we have had pieces of legislation or even federal dollars that have come to the state—that is not ARPA—that has included tribes. I think the larger question for me is: is that not trickling down? I have seen in the Nevada Office of Minority Health and other Nevada Department of Health and Human Services budgets where the money can be applied for tribes. I think under Governor Sandoval we did a huge broadband infrastructure, and then also we did some additional money under Governor Sisolak. I remember it going into the rural counties; there was a huge discussion about moving broadband into rural counties—were you not touched by these dollars?

Stacey Montooth:

Thank you for that question, Senator. We absolutely have been. It is a long process, whether it is fiber or strengthening the access that is already available. For instance, in the rural area of Washoe County, I want to make certain that you are aware that the Governor's Office of Science, Innovation and Technology Director, Brian Mitchell, has worked extremely closely and well with the Nevada Indian Commission as well as the ITCN. Within the last year, there was a very successful grant application for a consortium of 13 tribes for stable broadband. In addition, I believe five tribal nations independently applied for state dollars and for federal dollars, so it is forthcoming, but it is not in place yet. I would respectfully ask you to revisit our earlier conversations about the \$20 million that is available through the Nevada Indian Commission. Again, I was hoping for a two-page application, and we would be transferring funding. The type of grant applications that are required for broadband are much more complex, and that is one of the reasons that the two advocate agencies—the Nevada Indian Commission and the Inter-Tribal Council of Nevada—got involved; to try to provide that technical support for those tribes that just do not have it.

Senator Neal:

This is not a parent-to-child relationship; this is a government-to-government relationship. The statute is old enough for us to take into consideration how we should be assisting another government, in the same way that we would assist prior governments that we have engaged with in work. Because the relationship is different, because you were the original caretakers, and we are the government that is in place; I think we need to reexamine how we assist. I think we need to reexamine how we treat the tribes and how we engage in the work of assistance, to make sure that all tribes are healthy—the same way we are having a conversation around African American communities and the same way we have a conversation around Latino communities. It is equal, if not greater, that we establish support, to allow you to get to the level where you are self-sustaining and move the needle to assist in that area. In the 12 years that I have been in the building, this has been an ongoing

conversation that we need to talk about—how we partner with a sovereign government on how we can remedy and repair damage that has happened to the communities in which we are interacting and have an interrelationship with. Let us talk, let us build a relationship, let us figure out while people are trying to spend all kinds of money. Let us figure out how to do the right thing to serve generations to come.

Chair Peters:

We have one more question on the Stewart Indian School Living Legacy budget.

Assemblywoman Brown-May:

I do have one follow-up question about the curator position for the museum. Could you talk a little bit about how that position will improve the museums' educational program and daily operation?

Stacey Montooth:

Thank you very much for bringing that up. In a nutshell, we will be able to expand our services. Please know that we do have our director of the museum—Bobbi Rahder is in the room, in case you have more specific questions—but currently our two-person staff operates an entire cultural center and museum, and we are open to the public Monday through Friday from 10:00 a.m. to 5:00 p.m. In a perfect universe, we would have evening hours; we would be open on the weekends. With an additional person, not only could we expand our hours, but we could focus specifically on school groups. I believe in some of the information from our last presentation, we have had over 10,000 visitors at the cultural center. Keep in mind we opened to the public in January of 2020, three months before the global pandemic. Since our opening, we have had 143 groups and we have had 29 school groups: nearly 800 students. That has been done by a very thin, very stretched staff. Having another curator, someone who has a background in education, somebody who can help assist educators with lesson plans and specific presentations based on what the school age is, would be a huge boon for our agency.

Chair Peters:

Are there any other questions from the Subcommittees? [There were none.] We appreciate you being here this morning and for entertaining our robust conversation. I look forward to further conversations in this area.

That takes us to the last two budgets that are on our agenda today. We have budgets 2870 and 4216 up next.

Myron Freedman, Administrator, Division of Museums and History, Department of Tourism and Cultural Affairs:

The Division of Museums and History oversees seven state museums throughout Nevada. The museums preserve, share, and promote the understanding and celebration of Nevada's natural and cultural heritage, enriching and engaging visitors and students today and for

future generations. Collectively, they are responsible for millions of collection items housed in dozens of facilities. And today I am presenting on the needs of the Nevada Historical Society and the Nevada State Railroad Museums enhancements in the Governor's recommended budgets [[Exhibit D](#)]. I will start with the Nevada Historical Society.

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - MUSEUMS & HIST - NV HISTORICAL SOCIETY (101-2870)
BUDGET PAGE TOURISM-57**

**Myron Freedman, Administrator, Division of Museums & History, Department of
Tourism and Cultural Affairs:**

Nevada's oldest cultural institution is the Nevada Historical Society. It is one of the largest repositories of archival materials in the state. On the verge of purchasing and moving into a larger location in 2019, the severe budget cuts of 2020 derailed those plans. Some of you may remember those exciting plans. We were going to move into the large Nelson Building in downtown Reno. We are still housed in the building on the campus of the University of Nevada, Reno. To preserve the collection and services, it is imperative the current 1967 facility is maintained; the building suffers from years of deferred maintenance and requires major renovation and updating of mechanical, electrical, plumbing, ceilings, storage, building exterior, and seismic reinforcing [page 2, [Exhibit D](#)].

The maintenance needs are across multiple facilities [page 3]. The main facility itself—20,000 square feet—is, in fact, three structures that have developed over the decades. It also includes a large electronic compact storage system—a very sophisticated system. The collections are also stored at six off-site locations that require transport and maintenance. The current staff of five are not qualified to maintain buildings. We have curators working there, and they are not adequate for the daily upkeep of the building. The current staff are not qualified to handle maintenance emergencies such as when the roof started leaking. The Nevada Historical Society is open to the public for museum visitors, program attendees, and researchers; a well-maintained and clean state facility is a public necessity. It is an expectation, and it also helps to control maintenance costs.

In the Governor's budget, you will see that the upcoming Capital Improvement Program (CIP) recommendations require on-site expertise by a facility supervisor who will also operate and maintain the new systems [page 4]. This includes an upgrade to the security system, upgrades to the fire and life safety systems, and an upgrade to the electrical system. It also includes a building seismic retrofit and envelope maintenance—this is a very large project. Somewhere along the line, we will also work on installing an additional high-density storage system. We will need the facility supervisor to assist in planning and carrying out the future Nevada Historical Society move. Even though we were not successful moving into the Nelson Building, at some point in the next 10 years, we hope to see the museum moving to a larger, more accessible facility.

Decision unit enhancement (E) 225 is for a new full-time facility supervisor [page 5]. The agency requires full-time facility management. Decision unit E-227 is an upgrade in the fiber connection [page 5]. This also is necessary to keep up with the appropriate access for the collection, for researchers and users, and to help preserve and digitize materials. That is the Nevada Historical Society. I have another presentation on the next budget, but I could take questions now on this section or wait till the end.

Chair Peters:

We have a couple of questions on this section. First, deferred maintenance: what is your oldest project that we have not addressed yet?

Myron Freedman:

The oldest project would probably—well, there are many, many needs there. The ones that I listed in the CIP are major efforts that will be taken care of. We are grateful for the State Public Works Board for recognizing that need and passing those along. The roof on the building, and the exterior of the building, have cracks in them. What we are discovering is that the water intrusion behind the stucco is causing major problems. This has been going on for decades, but they are now recognizing the extent of the damage. That is probably the oldest problem.

Chair Peters:

I own a home that was built in the 1940s, and the upkeep and maintenance are a daily task. I have a question from Assemblywoman Backus.

Assemblywoman Backus:

My question pertains to decision unit E-225. If the facility supervisor position is approved, would the Nevada Historical Society have sufficient resources to maintain its facilities?

Myron Freedman:

We could use additional resources to help maintain the building. We have submitted requests in the past for additional maintenance money, and we hope to continue to work on enhancing that going forward. To begin with, we will work with the resources we have, and we will find ways to help them out if they end up having a shortfall in one area or another. We also have additional expertise within the system. We have people working for the Nevada State Museums and for the Nevada State Railroad Museums. On occasion, if they need additional help on certain issues, they will be able to lend a hand, so we will find a way to get it done. We will be back requesting additional resources for the maintenance of that building.

There are additional one-shots for the Nevada Historical Society for computer replacement for the Enterprise Information Technology Services schedule [page 6]. This is an ergonomic staff workstation for a new staff member who is disabled. This is—and again, getting back

to Assemblywoman Backus's comment—this would be funds to repair the ceiling tile and the plumbing. These are immediate funding needs.

Chair Peters:

Are there other questions on this budget before we move on? Seeing none, let us go ahead and move into the next budget.

**COMMERCE & INDUSTRY
DEPARTMENT OF TOURISM AND CULTURAL AFFAIRS
TOURISM - MUSEUMS & HIST-NV STATE RAILROAD MUSEUMS (101-4216)
BUDGET PAGE TOURISM-68**

**Myron Freedman, Administrator, Division of Museums & History, Department of
Tourism and Cultural Affairs:**

Budget account 4216 is for the Nevada State Railroad Museums. There are three museums in Nevada that focus on the story of railroading in Nevada. There is the Nevada State Railroad Museum in Carson City. There is one in Ely, and there is one in Boulder City.

I want to briefly take a moment to talk about this exciting project we are building in Ely. This is in Assembly Bill 84 of the 80th Session for a bond-funded remodel of the freight barn that will open in 2025. I have provided the floor plan that has been developed by the architectural firm [page 7, [Exhibit D](#)]. This is going to create a community space for events. It is also going to expand the museum opportunities for exhibitions, and it is going to create a special area for holding the archives and records of the Nevada Northern Railway: the history of that exceptional short line railroad. We are very excited about this project. The building is currently used for part of the year. This is going to insulate the building. It is going to put in a fire sprinkler system. It is going to add new bathrooms and hookups for caterers. While we do not have a request specific to this presentation, I wanted to make everybody as excited as I am about what is happening in Ely. We did this in consultation with the community. We held two community meetings to get input on the development and how this building will serve them in the future.

In Boulder City, we are building as well. This is also an A.B. 84 of the 80th Session bond-funded Nevada Railroad Museum, scheduled to open in 2026 [page 8]. The plans for this building will be shovel-ready this summer 2023. It was paid for through the bond funds, and the additional construction money will come through the next round of bond funding later this year. This is an exciting building that will provide a visitor center and the museum facility at the site.

If you are not familiar with our plans down there, allow me a minute to take you through a few facts about it. What you are seeing there is the vision plan that was done for the site [page 9]. This is a few years ago, and we will be updating this plan in the coming months. The blue circled areas identify the current location of structures that are serving this museum

right now; it includes a large shop, and it also includes a train platform and a cover for the collections that are under that platform. The rest of the collection, unfortunately, is out in the open and that needs to be taken care of in the next phase of development of this site.

The yellow circle represents the building I was showing you [page 9]. It will be the new visitor center/museum. That is a 9,000 square foot building. There will also be a plaza area, and there will be new platforms.

The museum has strong partners in Boulder City, the City of Henderson, and the Division of Outdoor Recreation. All these groups have come together to help us develop what is happening down there, and this is really a game-changing regional attraction that is developing down there. It is expensive to run a railroad, and it is expensive to preserve a railroad.

We have developed a lease through the Division of State Lands that will put a rail bike service on the property [page 10]. This will be a great opportunity to receive new revenues for this museum and for the State Railroad Museums in general. That project is still in process. Our agency is working on a potential budget amendment with the Governor's Finance Office. This has not been finalized. The lease will go before the Interim Finance Committee, and the Board of Examiners, in a couple of months. Once we have this in place, the significant lease revenues that will be generated by this service will be used to offset the operational and maintenance costs that are associated with having them on the property. It will also support the large-scale multiyear projects and site improvements.

Again, when you look at the collection itself, we are talking about large locomotives that need major work done on them; even to paint all the equipment is a huge task that will take years to finish. The track itself all must be replaced at some point—it is in very bad shape, and the railroad must maintain its standards to the federal standards. Each of those ties—and there are tens of thousands of them—would have to be replaced at \$85 each. You can see the expenses can get quite extensive.

We will move on with our one-time General Fund appropriations. There is a series of buildings and grounds maintenance needs at all three of the railroad museums, amounting to \$342,373. I have detail on those if you are interested. Also, there are one-time recommendations to replace the vehicles at the railroad museums—all of them are more than 20 years old and need replacement—and to replace the computers per the Enterprise Information Technology Services schedule. I would be happy to answer any questions the Subcommittees may have.

Chair Peters:

We have a couple of questions. I am going to start with Assemblyman Miller.

Assemblyman Miller:

I have a couple of questions about the Boulder City Railroad Museum rail bike. Can you explain how the agency determined an annual need for the \$54,525 in operating and maintenance needs associated with the rail bike operations? How do those costs compare to projected revenues, which are to be collected by the state from the rail bike operator?

Myron Freedman:

While I am answering that first part of the question, I am going to ask our administrative services officer to join me to provide some detail on the other numbers. The impact from the rail bike vendor will bring an additional 4,000 visitors per month. All that additional visitation has an impact on staff time, the amount of sanitation supplies, the amount of power and water used, the general wear and tear on the museum facility, and the railroad right of way—meaning the track maintenance and the gate that must be maintained, to protect people from coming across the tracks. There are a lot of costs involved with having them on the property. And the second part will be covered by Ms. DeLeon.

**Daphne DeLeon, Administrative Services Officer, Division of Museums and History,
Department of Tourism and Cultural Affairs:**

Regarding how we came to the numbers for the ongoing operational costs, our museum director looked at utilities and operational costs in the Boulder City operational category. While we had a prior rail bike vendor on site, he looked at it, had a prorated percentage, and developed that estimate of \$27,025 each year, ongoing. For locomotive maintenance, he looked primarily at a small amount to start replacing the ties that Administrator Freedman had mentioned as well as general maintenance on the locomotives; locomotives do need maintenance. Fortunately, we do have staff who are able to do some minor repairs to our locomotives, whether they need new tires—maybe 17 new tires—as opposed to 1 or 4, as we are used to doing on our own cars. That is where we have come up with the \$27,500 each year and a total of a little over \$54,000 moving forward for operational costs.

Assemblyman Miller:

My next question is with the increase in visitors that the rail bike tour business will create and generate—what other options did we look at for funding these increased expenses to the facilities, maintenance, and operating expenses?

Daphne DeLeon:

Because these expenses and increases are directly tied to the rail bike vendor operations—bringing them on, having more electricity, generating more garbage, more water, more sewage, more supplies for janitorial services, more wear and tear on the track and the locomotives—we thought it was best that we use these revenues to meet those needs.

Chair Peters:

Can you help us understand what other options you may have considered, besides the State General Fund option that is being recommended in here? I do not know if you went through

a process of looking at other options, and maybe what those options would have or could have been.

Daphne DeLeon:

We looked at a General Fund request because *Nevada Revised Statutes* requires state land lease revenue to be deposited directly to the State General Fund. This is the only way that lease revenues that are being generated by this lease can be accessed by this Division. There is not another way for us to access those funds; in a sense, our General Fund appropriation recommendation is being offset by the lease revenues that are being deposited directly from the Division of State Lands.

Chair Peters:

It suggests the question of the contracting language, right? It sounds like this has been a project you have had before—and you are not concerned about losing this contract—if we authorize the General Funds and the contract fails, or something happens—the company goes out of business—what is the backup plan? Do you have thoughts on what would happen if you got to year two or three, and this contract is no longer there?

Myron Freedman:

The answer to that lies in the development of the museum; those exciting plans I was showing you for the new facilities. We expect the visitation to increase dramatically, interest in this museum to increase dramatically, and for people to want to hold additional events out there. We expect a huge influx of visitation, which is why the City of Boulder City, the Boulder City Chamber of Commerce, and the City of Henderson are all very excited about this and working with us. We are envisioning one of the major attractions in that part of the state to be developed right there on the State Railroad Museum site. We are expecting an influx of revenue because of that; it will allow us to operate more special trains, which brings in additional dollars. Also, the increase in wear and tear on the equipment is something that must be factored in. This lease opportunity, or another vendor opportunity, is a way to help defray those costs to make sure that we have the revenues we need to keep the railroad running.

Senator Neal:

You also have a bill that concerns transferring property to the City of Ely—it is Senate Bill 186. Will this bill have any effect on your budget or your operations in Ely?

Myron Freedman:

I do not have the information to answer that question. I could work with State Lands to get you the answer to that.

Senator Neal:

Okay, thank you.

Chair Peters:

We appreciate that follow-up; if you would reach out to staff, we can get that follow-up from you.

Senator Goicoechea:

So, there is not a misconception, the rail in Ely does not belong to the Division of State Lands—it belongs to the Nevada Northern Railway Foundation—only the freight depot and the museum building belong to the state. It is a little different.

Senator Neal:

Thank you for that because I thought the museum is what is going to be on the second floor. Who owns that? The state?

Myron Freedman:

What the bill contemplates is a change in the status of how we handle that museum. There would be a lot of consideration about what that would look like. To begin with, the state controls the two buildings on the site—if you are familiar with the site, it is this wonderful historic railway site. It is really a gem in terms of how the state has and the Foundation have preserved this short line railroad's operation. There are two state buildings: the freight building, or the freight barn, and the passenger depot. We have been there for 30 years, operating these two buildings; developing and carrying out programs; and we have been collecting. There are thousands of artifacts that the state has in its collection, in addition to the Nevada Northern Railway Archives, which were given to the state as well. There is equipment that has been developed and been collected, and three-dimensional artifacts. There is an impact there. We will be making sure that people considering the bill are aware of this impact. How do we house and store all this material and make it accessible if these buildings are no longer going to belong to the state? What the bill contemplates would be a huge shift in what happens out there. At this meeting, I am not prepared to break all that down. As that bill goes forward, we will be addressing some of the questions that it raises.

Chair Peters:

Are there any other questions on these budgets? [There were none.]

Thank you so much for your time today. We appreciate it. We look forward to the follow up in the future.

Assembly Committee on Ways and Means
Senate Committee on Finance
Subcommittees on General Government
March 2, 2023
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I believe that is all the budgets we are hearing today. We can move on to public comment.
[There was none.]

That is all for today. We are adjourned [at 9:36 a.m.].

RESPECTFULLY SUBMITTED:

Tyler Boyce
Committee Secretary

APPROVED BY:

Assemblywoman Sarah Peters, Chair

DATE: _____

Senator Dina Neal, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a copy of the budget presentation titled "Division of Tourism, Legislative Budget Presentation," dated March 2, 2023, presented by Brenda Scolari, Director, Department of Tourism and Cultural Affairs.

[Exhibit D](#) is a copy of the budget presentation titled "Museums and History FY24-25 Budgets: Nevada Historical Society and Nevada State Railroad Museums," presented by Myron Freedman, Administrator, Division of Museums and History, Department of Tourism and Cultural Affairs.