

**MINUTES OF THE  
JOINT MEETING OF THE ASSEMBLY COMMITTEE ON WAYS AND MEANS  
AND THE  
SENATE COMMITTEE ON FINANCE**

**Seventy-Sixth Session  
May 24, 2011**

The joint meeting of the Assembly Committee on Ways and Means and the Senate Committee on Finance was called to order by Chairwoman Debbie Smith at 4:52 p.m. on Tuesday, May 24, 2011, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/76th2011/committees/](http://www.leg.state.nv.us/76th2011/committees/). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**ASSEMBLY COMMITTEE MEMBERS PRESENT:**

Assemblywoman Debbie Smith, Chairwoman  
Assemblyman Marcus Conklin, Vice Chair  
Assemblyman Paul Aizley  
Assemblyman Kelvin Atkinson  
Assemblyman David P. Bobzien  
Assemblywoman Maggie Carlton  
Assemblyman Pete Goicoechea  
Assemblyman Tom Grady  
Assemblyman John Hambrick  
Assemblyman Crescent Hardy  
Assemblyman Pat Hickey  
Assemblyman Joseph M. Hogan  
Assemblyman Randy Kirner  
Assemblywoman April Mastroluca  
Assemblyman John Ocegüera

**SENATE COMMITTEE MEMBERS PRESENT:**

Senator Steven A. Horsford, Chair  
Senator Sheila Leslie, Vice Chair  
Senator Barbara K. Cegavske  
Senator Moises (Mo) Denis  
Senator Ben Kieckhefer  
Senator David R. Parks  
Senator Dean A. Rhoads

**STAFF MEMBERS PRESENT:**

Rick Combs, Assembly Fiscal Analyst  
Mark Krmpotic, Senate Fiscal Analyst  
Mike Chapman, Principal Deputy Fiscal Analyst  
Rex Goodman, Principal Deputy Fiscal Analyst  
Sherie Silva, Committee Secretary  
Cynthia Wyett, Committee Assistant

Chairwoman Smith explained the purpose of the meeting was to reconsider previous budget closings for some budgets that were closed at higher amounts than were recommended by the Governor. She said that in the spirit of compromise and an attempt to reach a budget resolution, some accounts that were previously closed would be reopened. She reminded Committee members that in all cases the Joint Committee had added amounts above The Executive Budget. Chairwoman Smith noted that the cuts to be made at this meeting were cuts that the Joint Committee had previously added back to The Executive Budget.

Chairwoman Smith asked Rick Combs, Assembly Fiscal Analyst, to walk the Committee through the decision points of each budget to be reconsidered.

**DEPARTMENT OF EDUCATION**

**NDE – DISTRIBUTIVE SCHOOL ACCOUNT (101-2610)**

**BUDGET PAGE K-12 EDUCATION-1**

**NDE – SCHOOL REMEDIATION TRUST FUND (101-2615)**

**BUDGET PAGE K-12 EDUCATION 13**

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained the first budget to be considered was the Distributive School Account (DSA), which also affected the Remediation Trust Fund. Consistent with the salary reduction recommendation for state employees, the

Governor had recommended a 5 percent reduction in salaries for school employees in the upcoming biennium. Mr. Combs said the recommendation would result in a General Fund reduction totaling \$127 million in the first year and \$129.5 million in the second year of the 2011-2013 biennium.

Mr. Combs recalled that at the May 3, 2011, budget closing for K-12 Education, the Joint Committee did not approve the Governor's recommendation for the 5 percent reduction. The Joint Committee had earlier recommended a 2.5 percent salary reduction and six furlough days for state employees. He said Fiscal staff was asked to calculate the amount of General Fund savings that would be realized from a 2.5 percent reduction in funding for salaries for all school employees. The result would be a net General Fund savings of \$58.3 million in fiscal year (FY) 2011-12 and \$59.5 million in FY 2012-13.

ASSEMBLYMAN CONKLIN MOVED TO REOPEN THE  
DISTRIBUTIVE SCHOOL ACCOUNT, BUDGET  
ACCOUNT 101-2610.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chairwoman Smith said she would entertain discussion and a motion to implement a 2.5 percent reduction in funding for salaries for all school employees, resulting in a net General Fund savings of \$58.3 million in FY 2011-12 and \$59.5 million in FY 2012-13.

ASSEMBLYMAN OCEGUERA MOVED TO APPROVE A  
2.5 PERCENT REDUCTION IN SALARIES FOR SCHOOL DISTRICT  
EMPLOYEES AND TO AUTHORIZE FISCAL STAFF TO MAKE  
TECHNICAL ADJUSTMENTS TO THE REMEDIATION TRUST FUND  
SALARIES.

SENATOR LESLIE SECONDED THE MOTION.

Senator Kieckhefer noted the narrative indicated consistency with the decision made for state employees. He did not believe the salaries were consistent because the reductions for state workers included six furlough days and elimination of step and merit increases. Because the decision would result in appropriations above the funding levels available through the Economic Forum projections, he would be voting no.

Chairwoman Smith reminded the Committee that while the recommendation was consistent with the state employees' 2.5 percent reduction, excluding the furloughs, the Committee had previously approved a 5.3 percent reduction in the Public Employees' Retirement System subsidy for teachers, which also resulted in a projected salary decrease for teachers.

THE MOTION CARRIED. (Assemblymen Goicoechea, Grady, Hambrick, Hardy, Hickey, and Kirner and Senators Cegavske, Kieckhefer, and Rhoads voted no.)

BUDGET CLOSED.

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Mr. Combs moved to the next item for reconsideration, which was the basic support per pupil. He explained that the Governor's budget recommended a reduction in guaranteed basic support per pupil of \$121 million in fiscal year (FY) 2011-12 and \$117.2 million in FY 2012-13. At the May 3, 2011, meeting, the Joint Committee approved a \$111.5 million restoration of the basic support per pupil in each fiscal year, which resulted in a net reduction of funding of \$9.5 million in FY 2011-12 and \$5.7 million in FY 2012-13.

Mr. Combs said Fiscal staff was asked to calculate the amount of General Fund savings that would be realized with a reduction in the per-pupil basic support of \$100 in each year of the upcoming biennium, and the amount was \$42.5 million in the first year and \$42.7 in the second year of the 2011-2013 biennium. Based upon the revised amounts, the new average basic support per pupil would be \$5,269 in FY 2011-12 and \$5,380 in FY 2012-13.

ASSEMBLYMAN OCEGUERA MOVED TO REDUCE THE PER-PUPIL BASIC SUPPORT BY \$100 IN EACH YEAR OF THE 2011-2013 BIENNIUM, WHICH WOULD RESULT IN GENERAL FUND SAVINGS OF \$42.5 MILLION IN FY 2011-12 AND \$42.7 MILLION IN FY 2012-13.

SENATOR LESLIE SECONDED THE MOTION.

Assemblyman Goicoechea remarked that while the action would result in General Fund savings, it would not be supported by sufficient revenue. He would oppose the motion.

THE MOTION CARRIED. (Assemblymen Goicoechea, Grady, Hambrick, Hardy, Hickey, and Kirner and Senators Cegavske, Kieckhefer, and Rhoads voted no.)

BUDGET CLOSED.

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**NEVADA SYSTEM OF HIGHER EDUCATION**  
**BUDGET PAGES NSHE – 1-113**

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that when compared to the General Fund appropriations approved for the Nevada System of Higher Education (NSHE) by the 26th Special Session (2010), The Executive Budget reduced General Fund appropriations by \$91.5 million to \$466.4 million in governmental support in fiscal year (FY) 2011-12 and by \$162.5 million to \$395.5 million in governmental support in FY 2012-13. He recalled that in the closing for the NSHE accounts, the Joint Committee had approved a General Fund add-back of \$50 million in each year of the biennium to offset the projected reductions to NSHE's academic structure.

Mr. Combs said Fiscal staff was asked to calculate a reduction of the General Fund add-back from \$50 million to \$40 million in each year of the 2011-2013 biennium, which amounted to a reduction of \$10 million in each year. He said reducing the amount from \$50 million to \$40 million would change the percentage reduction in General Fund appropriations from the FY 2010-11 level of \$557.9 million or 13.54 percent, as approved when the Joint Committee originally closed the budget, to 15.34 percent.

ASSEMBLYMAN OCEGUERA MOVED TO REOPEN THE BUDGET FOR THE NEVADA SYSTEM OF HIGHER EDUCATION.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

ASSEMBLYMAN OCEGUERA MOVED TO REDUCE THE GENERAL FUND ADD-BACK FOR THE NEVADA SYSTEM OF HIGHER EDUCATION FROM \$50 MILLION TO \$40 MILLION IN EACH YEAR OF THE 2011-2013 BIENNIUM.

SENATOR HORSFORD SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Goicoechea, Grady, Hambrick, Hardy, Hickey, and Kirner and Senators Cegavske, Kieckhefer, and Rhoads voted no.

BUDGET CLOSED.

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### DEPARTMENT OF HEALTH AND HUMAN SERVICES

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, suggested that the following budgets to be reconsidered in the Department of Health and Human Services be reopened in one motion:

Aging and Disability Services Division:

HHS-ADSD – Senior Citizens Property Tax Assistance (101-2363)

HHS-ADSD – Community Based Services (101-3266)

Division of Health Care Financing and Policy:

HHS-HCF&P – Nevada Check-Up Program (101-3178)

HHS-HCF&P – Nevada Medicaid Title XIX (101-3243)

Division of Welfare and Supportive Services:

HHS-Welfare – Child Assistance and Development (101-3267)

Division of Mental Health and Developmental Services:

HHS-MHDS – Substance Abuse Prevention & Treatment Agency (101-3170)

HHS-MHDS – Desert Regional Center (101-3279)

HHS-MHDS – Rural Clinics (101-3648)

HHS-MHDS – Northern Nevada Adult Mental Health Services (101-3162)

HHS-MHDS – Southern Nevada Adult Mental Health Services (101-3161)

Division of Child and Family Services:

HHS-DCFS – Children, Youth and Family Administration (101-3145)

HHS-DCFS – Community Juvenile Justice Programs (101-1383)

HHS-DCFS – Youth Parole Services (101-3263)

ASSEMBLYMAN OCEGUERA MOVED TO REOPEN THE BUDGETS  
AS SPECIFIED BY FISCAL STAFF.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

**AGING AND DISABILITY SERVICES**

**HHS-ADSD – SENIOR CITIZENS' PROPERTY TAX ASSISTANCE (101-2363)**  
**BUDGET PAGE DHHS ADSD-8**

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated the first Department of Health and Human Services (DHHS) budget to be reconsidered was the Senior Citizens' Property Tax Assistance program, budget account (BA) 101-2363, in the Aging and Disability Services Division. The Governor recommended elimination of the Senior Citizens' Property Tax Assistance program for a General Fund savings of \$5.7 million in each year of the 2011-2013 biennium. The Joint Committee had approved restoring a portion of the program, which would have provided property tax refunds to homeowners with incomes at or below the federal poverty level. Refunds would be provided to approximately 1,100 seniors in each year of the biennium at a cost of \$1.2 million over the 2011-2013 biennium.

Mr. Combs said Fiscal staff was asked to consider eliminating the restoration of the program, which would result in approving the Governor's original recommendation, for a savings of \$1.2 million over the biennium.

ASSEMBLYMAN OCEGUERA MOVED TO ELIMINATE THE SENIOR  
CITIZENS' PROPERTY TAX ASSISTANCE PROGRAM, RESULTING  
IN GENERAL FUND SAVINGS OF \$1.2 MILLION OVER THE  
2011-2013 BIENNIUM, AS RECOMMENDED BY THE GOVERNOR.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**AGING AND DISABILITY SERVICES**  
**HHS-ADSD – COMMUNITY BASED SERVICES (101-3266)**  
**BUDGET PAGE DHHS ADSD-53**

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, addressing Community Based Services budget account (BA) 101-3266, explained the Governor had recommended additional General Funds of approximately \$1.25 million in each year of the 2011-2013 biennium to establish the Autism Treatment Assistance Program (ATAP) as an ongoing program in the Aging and Disability Services Division. He recalled that the Joint Committee had approved the Governor's recommendation on May 6, 2011. In addition, the Committee approved redirecting funding for ATAP in fiscal year (FY) 2012-13 from General Funds to tobacco settlement funds, which would result in a General Fund savings of \$1.2 million. Mr. Combs noted that the redirection would not replace all of the General Funds for ATAP; General Fund support of approximately \$77,000 would continue in FY 2012-13.

Mr. Combs recalled that the Joint Committee also approved Budget Amendment 318 to add General Funds totaling \$1.7 million over the biennium. The same amount of General Funds was recommended by the Governor for elimination from the Mental Health and Developmental Services (MHDS), self-directed autism program. The Governor had submitted an amendment to add that amount back in ATAP rather than in the MHDS program.

Continuing, Mr. Combs noted that on May 19, 2011, when the MHDS budget accounts were closed, the Joint Committee approved an additional \$2.8 million in General Funds for ATAP. The \$2.8 million add-back represented the Temporary Assistance for Needy Families (TANF) funded portion of the self-directed autism program, which served 113 children.

Mr. Combs said Fiscal staff had been asked to consider a decision to not restore the TANF portion of the MHDS self-directed autism program, which would result in a General Fund savings of \$2.8 million over the 2011-2013 biennium. He added that the recommendation would be consistent with the Governor's recommendation as amended through Budget Amendment 318.

ASSEMBLYMAN HARDY MOVED TO NOT RESTORE THE TANF FUNDED PORTION OF THE SELF-DIRECTED AUTISM PROGRAM, FOR A GENERAL FUND SAVINGS OF \$2.8 MILLION, AS RECOMMENDED IN THE AMENDED GOVERNOR'S BUDGET.

SENATOR CEGAVSKE SECONDED THE MOTION.



THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**HEALTH CARE FINANCING AND POLICY**

**HHS-HCF&P – NEVADA MEDICAID, TITLE XIX (101-3243)**

**BUDGET PAGE DHHS DHCFP- 33**

**HHS-HCF&P – NEVADA CHECK-UP PROGRAM (101-3178)**

**BUDGET PAGE DHHS DHCFP-23**

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, addressing the Division of Health Care Financing and Policy, Nevada Medicaid, Title IX, budget account (BA) 101-3243 and Nevada Check-Up Program (BA 101-3178) accounts, recalled the Joint Committee had voted not to approve the Governor's recommended rate reductions for the Medicaid and Nevada Check-Up Programs and approved General Fund add-backs of approximately \$38.2 million in fiscal year (FY) 2011-12 and \$39.1 million in FY 2012-13. He reviewed four possible actions by the Committee to alter the add-backs to the General Fund:

- Impose a rate reduction for Skilled Nursing Facilities totaling \$5 per bed per day with a corresponding reduction in the rate paid for hospice beds, resulting in General Fund reductions totaling \$1.3 million in FY 2011-12 and \$1.2 million in FY 2012-13. The Governor's original recommendation was for a \$20 per bed day reduction, and the amended proposal from the Governor was for a \$15 per bed day reduction.
- Impose a 0.7 percent rate reduction for dental services, durable medical equipment, and disposable medical supplies, resulting in a General Fund reduction of \$129,842 in FY 2011-12 and \$119,146 in FY 2012-13.
- Impose a 15 percent rate reduction for ambulatory surgical centers, ambulance services, and end-stage renal disease services as recommended by the Governor, resulting in a General Fund reduction of \$1.1 million FY 2011-12 and \$1 million in FY 2012-13.
- Impose an increase in the counties' financial responsibility for the Medical Assistance for the Aged, Blind and Disabled population, as well as the institutional waiver population, which would result in a General Fund reduction of \$6 million in FY 2011-12 and \$8.5 million in FY 2012-13.

Although significant in dollar terms, the reduction was less than what was recommended by the Governor to be passed on to the counties.

ASSEMBLYMAN CONKLIN MOVED TO ALTER THE ADD-BACKS TOTALING \$8.5 MILLION IN FISCAL YEAR 2011-12 AND \$10.8 MILLION IN FISCAL YEAR 2012-13 AS OUTLINED IN THE FOUR ACTIONS PROVIDED BY FISCAL STAFF.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Goicoechea, Grady, Hambrick, Hardy, Hickey, and Kirner and Senators Cegavske, Kieckhefer, and Rhoads voted no.)

BUDGET CLOSED.

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**WELFARE AND SUPPORTIVE SERVICES**  
**HHS-WELFARE – CHILD ASSISTANCE AND DEVELOPMENT (101-3267)**  
**BUDGET PAGE DHHS DWSS-42**

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, addressing the Child Assistance and Development account in the Division of Welfare and Supportive Services, explained The Executive Budget had recommended a reduction in General Fund appropriations by 69.2 percent from the 2009-2011 legislatively approved level of \$16.9 million to \$5.2 million in each year of the 2011-2013 biennium. He said the recommendation provided General Funds of \$2.6 million in each year of the biennium, part of which was applied to the maintenance of effort to enable the state to receive the Temporary Assistance for Needy Families (TANF) block grant. The remainder of maintenance of effort funding was placed in the TANF account.

Mr. Krmpotic recalled that during the closing of the Child Assistance and Development account, the Joint Committee approved General Fund add-backs of \$1 million in each year of the biennium, which would provide subsidized child care for approximately 295 additional children each year in the discretionary category.

Mr. Krmpotic said the decision for reconsideration by the Committee was whether to not restore the funding for subsidized child care, resulting in

General Fund savings of \$2 million over the 2011-2013 biennium, which would make the Committee's actions consistent with the Governor's recommendation.

ASSEMBLYMAN CONKLIN MOVED TO NOT RESTORE THE FUNDING FOR SUBSIDIZED CHILD CARE, WHICH WOULD RESULT IN GENERAL FUND SAVINGS OF \$2 MILLION OVER THE 2011-2013 BIENNIUM.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**MENTAL HEALTH AND DEVELOPMENTAL SERVICES**

**HHS-MHDS—NORTHERN NEVADA ADULT MENTAL HEALTH SERVICES (101-3162)**

**BUDGET PAGE DHHS MHDS-69**

**HHS-MHDS—SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES (101-3161)**

**BUDGET PAGE DHHS MHDS-83**

**HHS-MHDS—RURAL CLINICS (101-3648)**

**BUDGET PAGE DHHS MHDS-57**

Mike Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reviewed the possible options for restoration of funds in the following Division of Mental Health and Developmental Services (MHDS) accounts:

- Northern Nevada Adult Mental Health Services (NNAMHS) (budget account [BA] 101-3162).
- Southern Nevada Adult Mental Health Services (SNAMHS) (BA 101-3161).
- Rural Clinics (BA 101-3648).

Mr. Chapman explained the Governor had recommended discontinuing Psychosocial Rehabilitation Services (PRS) to approximately 300 individuals in Clark County, 90 individuals in Washoe County, and 35 individuals in rural Nevada. The recommendation eliminated 12.51 positions and resulted in General Fund savings of \$808,450 in fiscal year (FY) 2011-12 and \$820,951 in

FY 2012-13. The Joint Committee had restored the Psychosocial Rehabilitation Services program, including the 12.51 positions and the General Fund support.

Mr. Chapman said Fiscal staff was asked to consider eliminating the program, except for the restoration of one vocational rehabilitation trainer position at Northern Nevada Adult Mental Health Services to continue the operation of the canteen on the NNAMHS campus. The action would result in a reduction of General Funds of \$704,350 in FY 2011-12 and \$715,068 in FY 2012-13.

SENATOR LESLIE MOVED TO NOT RESTORE THE PSR PROGRAM AND TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THE PROGRAM, EXCEPT FOR RETENTION OF ONE VOCATIONAL REHABILITATION TRAINER POSITION, REDUCING GENERAL FUNDS BY \$704,350 IN FY 2011-12 AND \$715,068 IN FY 2012-13.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Chapman explained the second action for consideration in the MHDS budget was the Governor's recommendation to reduce outpatient counseling services at the three facilities (SNAMHS, NNAMHS, and Rural Clinics), which eliminated 12.51 positions and reduced General Funds by \$957,551 in FY 2011-12 and \$959,898 in FY 2012-13. He recalled that in closing this item, the Joint Committee had approved the restoration of the Governor's reduction to outpatient counseling services, including restoration of the 12.51 positions and the General Funds.

Mr. Chapman said that during the budget closing, an alternative was provided by the Division of Mental Health and Developmental Services to restore a portion of the program, which would include 5 of the 12.51 positions: 2 positions at SNAMHS, 2 positions at NNAMHS, and 1 position at Rural Clinics. The restoration would reduce General Fund appropriations by \$392,038 in FY 2011-12 and \$398,143 in FY 2012-13.

SENATOR LESLIE MOVED TO RESTORE 5 OF THE 12.51 POSITIONS, REDUCING GENERAL FUND APPROPRIATIONS BY \$392,038 IN FY 2011-12 AND \$398,143 IN FY 2012-13.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Goicoechea, Grady, Hambrick, Hardy, Hickey, and Kirner and Senators Cegavske, Kieckhefer, and Rhoads voted no.)

The next item for consideration, Mr. Chapman continued, was a recommendation by the Governor to eliminate 272 supported living arrangements (SLAs), including 201 placements at SNAMHS, 35 placements at NNAMHS, and 36 placements at Rural Clinics. The Governor's recommendation reduced General Fund expenditures by \$3.59 million in FY 2011-12 and \$3.51 million in FY 2012-13.

Mr. Chapman noted that the Budget Division submitted a budget amendment to restore the 272 placements; the Joint Committee approved the amendment.

Mr. Chapman said Fiscal staff was asked to calculate the cost to restore the equivalent of 60 percent of the Governor's recommended reduction, for a 40 percent reduction compared to the Governor's 100 percent reduction. The General Fund appropriation would be reduced by \$1.4 million each year of the 2011-2013 biennium.

SENATOR LESLIE MOVED TO RESTORE THE SUPPORTED LIVING ARRANGEMENTS TO 60 PERCENT OF THE GOVERNOR'S RECOMMENDED REDUCTION TO REDUCE THE GENERAL FUND APPROPRIATION BY \$1.4 MILLION IN EACH YEAR OF THE 2011-2013 BIENNIUM.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Goicoechea, Grady, Hambrick, Hardy, Hickey, and Kirner and Senators Cegavske, Kieckhefer, and Rhoads voted no.)

The next item to be addressed was the Governor's recommendation to eliminate one of the two Programs for Assertive Community Treatment (PACT) teams in southern Nevada. Mr. Chapman said the team consisted of 8.51 positions that treated and supported the most seriously mentally ill individuals within the community. The Governor's recommendation reduced General Fund expenditures by \$483,862 in FY 2011-12 and \$487,853 in FY 2012-13.

Mr. Chapman said the Joint Committee had restored the full amount of the Governor's recommended reduction for the PACT team, including the 8.51 positions. The amount of General Fund savings by eliminating the program

as recommended by the Governor would remain as originally proposed: \$483,862 in FY 2011-12 and \$487,853 in FY 2012-13.

ASSEMBLYMAN OCEGUERA MOVED TO NOT RESTORE THE PACT TEAM AND ELIMINATE THE PROGRAM AS RECOMMENDED BY THE GOVERNOR, REDUCING THE GENERAL FUND APPROPRIATIONS BY \$483,862 IN FY 2011-12 AND \$487,853 IN FY 2012-13.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**MENTAL HEALTH AND DEVELOPMENTAL SERVICES**  
**HHS-MHDS—DESERT REGIONAL CENTER (101-3279)**  
**BUDGET PAGE DHHS MHDS-38**

Mike Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, addressing the Developmental Services' supported living arrangements (SLAs) at the Desert Regional Center (budget account 101-3279), recalled that the Governor had recommended elimination of 54 SLAs with corresponding General Fund reductions of \$1.38 million in FY 2011-12 and \$1.33 million in FY 2012-13. In closing the budget, the Joint Committee had approved restoration of the 54 SLA placements at the Desert Regional Center. Fiscal staff was asked to bring the item back to the Joint Committee to consider elimination of the program as recommended by the Governor, resulting in General Fund savings of \$1.38 million in FY 2011-12 and \$1.33 million in FY 2012-13.

SENATOR LESLIE MOVED TO NOT RESTORE THE 54 SLAs AT THE DESERT REGIONAL CENTER AND TO ELIMINATE THEM AS RECOMMENDED BY THE GOVERNOR, FOR A GENERAL FUND REDUCTION OF \$1.38 MILLION IN FY 2011-12 AND \$1.33 MILLION IN FY 2012-13.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**MENTAL HEALTH AND DEVELOPMENTAL SERVICES**  
**HHS-MHDS—SUBSTANCE ABUSE PREVENTION AND TREATMENT AGENCY**  
**(101-3170)**  
**BUDGET PAGE DHHS MHDS-19**

Mike Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated there were two items for consideration related to the Substance Abuse Prevention and Treatment Agency (SAPTA). The first involved the Governor's recommendation to eliminate General Fund appropriations of \$1.02 million each year of the 2011-2013 biennium to support the co-occurring disorders (COD) treatment program. He recalled the Joint Committee did not approve the Governor's recommendation to reduce the funding and voted to restore the \$1.02 million each year for the COD program.

Mr. Chapman said Fiscal staff was asked to bring calculations back to the Joint Committee to restore one-half of the funding that the Governor recommended eliminating, which would reduce General Fund appropriations by \$510,000 each year of the 2011-2013 biennium.

SENATOR LESLIE MOVED TO RESTORE ONE-HALF OF THE FUNDING FOR THE CO-OCCURRING DISORDERS TREATMENT PROGRAM, WHICH WOULD REDUCE GENERAL FUND APPROPRIATIONS BY \$510,000 EACH YEAR OF THE 2011-2013 BIENNIUM.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Goicoechea, Grady, Hambrick, Hardy, Hickey, and Kirner and Senators Cegavske, Kieckhefer, and Rhoads voted no.)

The second item for reconsideration, Mr. Chapman stated, was the Governor's recommendation to reduce appropriations by \$112,000 each year that supported subgrants to direct service prevention programs by community coalitions throughout the state. He said the Budget Division had submitted

Budget Amendment 307 to restore the \$112,000 each year, and the Joint Committee approved the budget amendment to restore the funds.

Mr. Chapman said that Fiscal staff was asked to bring the information back to the Joint Committee to consider not approving the restoration of the General Funds and approve the Governor's original recommendation to reduce General Funds by \$112,000 each year of the upcoming biennium.

SENATOR PARKS MOVED TO NOT RESTORE THE FUNDING FOR THE SUBGRANTS TO DIRECT SERVICE PREVENTION PROGRAMS BY COMMUNITY COALITIONS, WHICH WOULD REDUCE GENERAL FUND APPROPRIATIONS BY \$112,000 EACH YEAR OF THE 2011-2013 BIENNIUM.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**CHILD AND FAMILY SERVICES**  
**HHS-DCFS—YOUTH PAROLE SERVICES (101-3263)**  
**BUDGET PAGE DHHS DCFS-88**

Rex Goodman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, recalled that in the Youth Parole Services budget account (BA) 101-3263, the Governor recommended replacing youth parole service costs of \$5.4 million in General Funds in each year of the 2011-2013 biennium with county funds through an assessment to the counties. He recalled that during the Division of Child and Family Services (DCFS) budget hearings, the Joint Subcommittee on Human Services had expressed concerns with shifting the responsibility and funding of the Youth Parole Bureau to the counties, and alternative plans by all stakeholders were presented to the Subcommittee.

Mr. Goodman recalled that in closing the Youth Parole Services budget, the Joint Committee did not approve the Governor's recommendation to shift the cost of youth parole services to the counties and restored General Funds of \$5.4 million in each year of the 2011-2013 biennium.



Mr. Goodman said the decision to be made was whether to restore approximately one-half of the funding for youth parole services and to shift the other half of the costs to the counties, which would reduce General Fund appropriations by \$2,714,010 in fiscal year (FY) 2011-12 and \$2,721,815 in FY 2012-13.

ASSEMBLYMAN CONKLIN MOVED TO RESTORE ONE-HALF OF THE FUNDING FOR YOUTH PAROLE SERVICES AND SHIFT THE OTHER ONE-HALF OF THE COST TO THE COUNTIES TO REDUCE GENERAL FUND APPROPRIATIONS BY \$2,714,010 IN FY 2011-12 AND \$2,721,815 IN FY 2012-13.

SENATOR PARKS SECONDED THE MOTION.

Senator Cegavske asked how many youth were currently on parole and receiving services. Mr. Goodman replied he did not have the figures with him.

Mike Willden, Director, Department of Health and Human Services, testified there were 481 youth on parole statewide. He could provide a breakdown of how many were located in each county.

Mr. Goodman noted that the allocation of the costs to the counties would be distributed based on the population of students in seventh through twelfth grade in each county rather than the number of youth on parole.

THE MOTION CARRIED. (Assemblymen Goicoechea, Grady, Hambrick, Hardy, Hickey, and Kirner and Senators Cegavske, Kieckhefer, and Rhoads voted no.)

The final item for consideration, Mr. Goodman continued, was in the Children Youth and Family Administration budget account (BA) 101-3145, but the item also affected the Community Juvenile Justice Programs account (BA 101-1383). He explained The Executive Budget included elimination of funding for mental health room and board costs for youth not in the custody of the Division of Child and Family Services. The reductions totaled approximately \$3.5 million in each year of the 2011-2013 biennium, and funding for caseload increases totaling approximately \$1 million in FY 2011-12 and \$1.4 million in FY 2012-13 was also eliminated.

Mr. Goodman recalled that the Joint Committee approved General Fund add-backs of approximately \$3.5 million in each year of the 2011-2013 biennium to restore funding for the costs of the service in the

Division's base budget. He said a decision to not restore the entire base level funding and to instead restore only 80 percent of the funding would reduce General Fund appropriations that were added back by approximately \$700,000 in each year of the 2011-2013 biennium.

ASSEMBLYMAN OCEGUERA MOVED TO NOT RESTORE THE ENTIRE BASE LEVEL FUNDING AND TO RESTORE 80 PERCENT OF THE FUNDING, REDUCING GENERAL FUND APPROPRIATIONS BY APPROXIMATELY \$700,000 IN EACH YEAR OF THE 2011-2013 BIENNIUM.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Goicoechea, Grady, Hambrick, Hardy, Hickey, and Kirner and Senators Cegavske, Kieckhefer, and Rhoads voted no.)

BUDGET CLOSED.

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Chairwoman Smith remarked that she felt sad and embarrassed. It had been difficult to vote on budget cuts the first time, and it was much harder to do a second time. She had come to the meeting in the spirit of compromise and cooperation, and she believed that her constituents, and the public, wanted give-and-take. She felt she was giving, but she was not sure she was getting. The Legislature had some very important decisions to make over the next several hours, and she personally felt the Committee members had better choices to make than those that were just made. She hoped there would be no further cuts necessary, whether in K-12 education, the higher education system, or health and human services. She believed there could be better decisions.

Assemblyman Ocegura stated that from day one, leadership was willing to compromise to create a balanced budget in a timely manner—one that would not decimate the state's education system and other critical services. What was done today represented a good-faith effort on leadership's part to continue those discussions and reach those goals. He said he was as disappointed as the Chairwoman in the party line votes, but he had no intention of giving up. He would continue to reach across the aisle to try to reach consensus and find some middle ground.

Continuing, Assemblyman Ocegüera noted that leadership had consistently promoted a balanced approach to the budget crisis, which would include cuts on top of the cuts that were made the last two years, but also would include some revenue. He said Nevada's budget shortfall was the worst in the nation, and it could not be solved with cuts alone. Today's actions reflected a balanced approach, and if revenue that had not impeded the economic recovery could be retained, the promising numbers released from the Economic Forum could be realized.

Assemblyman Ocegüera said that while the current budget did not restore many of the cuts that he would like to see restored, it was an increase over what the Governor proposed, and he was willing to compromise. The cuts were not easy, and no one on the Committee wanted to make them. He emphasized that efforts would continue on tax reform in whatever manner it took, because it was long overdue for the state. He added that the meeting was a good step in the right direction, and he would continue to attempt to reach consensus with his colleagues.

Chairwoman Smith thanked the members of the Fiscal Analysis Division staff for their work to reconsider the budgets.

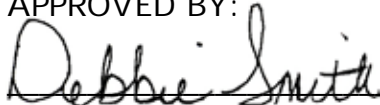
There being no further business to come before the Committee, Chairwoman Smith adjourned the meeting at 5:42 p.m.

RESPECTFULLY SUBMITTED:

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Sherie Silva  
Committee Secretary

APPROVED BY:



Assemblywoman Debbie Smith, Chairwoman

DATE: November 2, 2011

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Senator Steven A. Horsford, Chair

DATE \_\_\_\_\_

**EXHIBITS**

**Committee Name:** Assembly Committee on Ways and Means/Senate Committee on Finance

**Date:** May 24, 2011

**Time of Meeting:** 4:52 p.m.

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