

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

**Seventy-Sixth Session
April 5, 2011**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on Human Services/CIP was called to order by Chairwoman April Mastroluca at 8:22 a.m. on Tuesday, April 5, 2011, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 5100 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/76th2011/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

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

SENATE SUBCOMMITTEE MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

Rick Combs, Assembly Fiscal Analyst
Mark Krmpotic, Senate Fiscal Analyst
Joi Davis, Senior Program Analyst
Tenna Herman, Committee Secretary
Cynthia Wyett, Committee Assistant

Chair Mastroluca indicated the Subcommittee would be closing budgets, and Mr. Combs would present an overview of the process.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated he would discuss the decision units that the Subcommittee would not hear Fiscal Analysis Division staff discuss as they closed their respective budgets because those decision units were related to global closing issues rather than budget specific issues. Those were the same decision units that were not highlighted in the highlight documents for each budget and included:

- Decision unit Maintenance (M) 100 was the statewide inflation for the Office of the Attorney General's cost allocation, the statewide cost allocation, the Department of Information Technology assessment, and other statewide assessments including rent.
- Decision unit M300 included fringe benefit adjustments.
- Decision unit Enhancement (E) 670 was the temporary 5 percent salary reduction for state employees.
- Decision unit E671 was the merit increase suspension for state employees.
- Decision unit E672 was longevity pay suspension for state employees.
- Decision unit E673 was the reduction of the Public Employees' Benefits Program subsidy for part-time employees.
- Decision unit E674 was the reduction in holiday premium pay for state employees.

Mr. Combs advised that Fiscal Analysis Division staff would change all the budget accounts accordingly based on decisions that would be made regarding those items on a statewide basis at a later date. It was unnecessary to review each one of those items in each budget. Decision unit M800 and decision unit E800 were agency-specific cost allocations and Fiscal Analysis Division staff would request authority to adjust those at the end of the process based on the closing actions taken as a whole, and the impact that those actions would have on various agency cost allocations. The Subcommittee would consider closing particular budgets with those items still subject to change based on decisions that would be made later.

ELECTED OFFICIALS

GOVERNOR'S OFFICE OF CONSUMER HEALTH ASSISTANCE (101-1003)

BUDGET PAGE ELECTED-14

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, began her presentation with the Governor's Office for Consumer Health Assistance (GovCha). Questions regarding the merger had been discussed at a prior work session. The first item was the merging of the Office for Consumer Health Assistance with the Office of Minority Health and transferring the combined budgets to the Director's Office, Department of Health and Human Services (DHHS). The Department testified during the budget hearing that the offices had already been somewhat transitioned during the current biennium, and the result had been beneficial. The transfer enhanced access to healthcare information for all consumers, streamlined consumer related activities information, and provided for operational efficiencies. The DHHS could provide the oversight and administrative services, as well as fiscal and technical services that GovCha needed. Currently, GovCha worked with DHHS on programs such as Medicaid, the State Health Insurance Assistance Program (SHIP), and the Senior Rx and Disability Rx programs.

Ms. Davis stated that the proposal appeared to be cost neutral, though there had been some cost allocations that had been paid by both of the budgets that would now be paid as one to DHHS. Although no cost savings had been specifically identified, cost efficiencies had been presented. During the work session, the Subcommittee had expressed concern regarding the loss of the name "Minority Health" in the agency name. However, the agency had confirmed that although it would become a part of the Office for Consumer Health Assistance, the Office of Minority Health would retain its autonomy. The change would be effectuated legislatively in Assembly Bill 519, and the

Governor's Office for Consumer Health Assistance would be transferred to DHHS.

Additionally, said Ms. Davis, A.B. 519 set forth some changes regarding the Director's duties. Fiscal Analysis Division staff would seek authority to make any adjustments to the budget based on the passage of that bill. Ms. Davis asked whether the Subcommittee wished to merge the two offices and have the combined budgets transferred to the Director's Office, Department of Health and Human Services.

Chair Mastroluca asked whether there was a motion from the Subcommittee, or whether there was additional discussion and/or questions regarding merger of the Office of Minority Health with the Office for Consumer Health Assistance and transferring those budget accounts to the DHHS Director's Office.

Senator Leslie wondered whether the budget account name would be Governor's Office of Consumer Health Assistance, and whether there would still be an Office of Minority Health identified within the Director's Office.

Ms. Davis replied that the account would be called Consumer Health Assistance. She did not believe it would be called Governor's Office of Consumer Health Assistance. The Office of Minority Health would still be retained as the Office of Minority Health within the Consumer Health Assistance budget.

Senator Leslie asked whether there would be a specific phone line that went to the Office of Minority Health. She wondered whether it would be marketed that way in the community or in DHHS publications. She said that the Subcommittee did not want to lose that identity.

Michael Willden, Director, DHHS, agreed with Senator Leslie. The DHHS did not want to lose the identity of Office of Minority Health. The "Minority Health" name would continue to be included in the DHHS phone directories, website, and letterhead. Mr. Willden emphasized that the office would not simply consist of a person working within the Consumer Health Assistance Office, and there would still be an Office of Minority Health.

Senator Horsford appreciated that clarification being placed on the record and the willingness of the administration to make that adjustment. He asked how the actual budget account would be handled in future biennia, when and if there was money to support an Office of Minority Health, separate and apart from the

function of Consumer Health. He asked how any federal grants might be affected by the transfer, specifically grants from the federal Office of Minority Health.

Mr. Willden indicated that he could not answer those questions in technical detail, but federal grants were currently the sole support of the Office of Minority Health. The General Fund had been eliminated during a round of budget cuts. Going forward, the grants would continue to be managed within the Office of Minority Health within its specific budget account. It would be adjusted no differently than other budget accounts within the DHHS Director's Office where there were multiple functions within one budget account, such as the Office of Suicide Prevention. There was not a separate budget account for the Office of Suicide Prevention, but funds came into a budget that had multiple revenue streams and multiple expenditure streams. The DHHS staff separated those revenues and expenditures, accounted for them, and when necessary, cost-allocated funds. Mr. Willden did not believe it would be necessary in better fiscal circumstances to pull the Office of Minority Health out of Consumer Health and create a separate budget account. He felt it would function well by using separate revenue and expenditure categories.

To recap, Senator Horsford stated that within the Consumer Health Office there would be subaccounts. The Office of Minority Health would have its own subaccount, and whatever funding it received would be allocated for the function of that Office.

Senator Cegavske offered the following motion:

SENATOR CEGAVSKE MOVED TO MERGE THE OFFICE OF
MINORITY HEALTH WITH THE GOVERNOR'S OFFICE FOR
CONSUMER HEALTH ASSISTANCE.

Senator Horsford stated that the motion should not indicate a merging of offices, only budget accounts. He asked the maker of the motion to clarify that for the record.

Senator Cegavske stated that her motion was stated as written, which was to merge the Office of Minority Health with the Governor's Office for Consumer Health Assistance and transfer the combined budgets to the DHHS Director's Office.

Senator Horsford said he understood that was what was written but he wondered how that would be carried out. Based on the intent of the Subcommittee as discussed, it was the budget accounts that would be merged, not the offices themselves. He asked if that was the understanding of the maker of the motion.

Senator Cegavske agreed that was her understanding, but she was using the language that Fiscal Analysis Division staff had suggested and thought it would be the correct language.

Chair Mastroluca suggested that Senator Cegavske amend her motion.

SENATOR CEGAVSKE AMENDED HER MOTION TO COMBINE THE BUDGETS OF THE OFFICE OF MINORITY HEALTH AND THE OFFICE OF CONSUMER HEALTH ASSISTANCE AND TRANSFER THE BUDGET ACCOUNTS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES DIRECTOR'S OFFICE.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. Davis continued her presentation. The next item was the new ombudsman position to assist injured workers. The Governor recommended \$94,872 in fiscal year (FY) 2012 and \$96,405 in FY 2013 in transfer of industrial relations funds to fund one position and operating costs in the Office for Consumer Health Assistance. According to the GovCha 2010 Executive Report, the Office indicated that approximately 13 percent of its caseload was directly related to worker's compensation cases; however, that decline had been a result of not having dedicated resources for workers' compensation cases in the Office. One existing position devoted approximately 62 percent of its time to workers' compensation cases, and in follow-up, the agency believed having an ombudsman dedicated 100 percent to those workers' compensation cases would ensure that the injured workers were receiving the assistance they needed to navigate the complicated workers' compensation system.

The Office was also listed as the contact on workers' compensation forms. The ombudsman position would assist injured workers with information about their

rights and their access to medical treatment, whereas the Division of Industrial Relation's primary function was in investigation and enforcement. The primary function of the Office of the Nevada Attorney for Injured Workers was legal representation and advice to injured workers.

Ms. Davis said the question before the Subcommittee was whether to approve the recommendation for the ombudsman position dedicated to injured workers.

SENATOR CEGAVSKE MOVED TO APPROVE THE
RECOMMENDATION FOR AN OMBUDSMAN POSITION
DEDICATED TO ASSISTING INJURED WORKERS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. Davis called attention to item 3, regarding the ombudsman positions. When the budget was created in 1999, the ombudsman positions were placed in the unclassified service of the state. In light of the Subcommittee's current decision to transfer those budget accounts to the DHHS Director's Office, the Subcommittee expressed concern about whether the positions should be retained in the unclassified service of the state. The agency indicated it would do whatever was in the best interest of the state. The options for the Subcommittee's consideration were as follows:

- Retain the ombudsman positions as unclassified positions indefinitely.
- Retain the ombudsman positions in the unclassified service through the upcoming biennium and then issue a Letter of Intent directing the Department of Personnel to perform a study of those positions to determine where they should be in the state classification system. Those recommendations from State Personnel could be provided to the Fiscal Analysis Division and the agency by May 1, 2012, so that information could be used in building the agency-request budgets.

Senator Cegavske's recommendation was to retain the ombudsman positions as unclassified indefinitely.

Senator Leslie asked why those positions should remain unclassified.

Senator Cegavske responded because of the future costs if the positions were changed.

Senator Leslie responded that most positions were classified. She did not understand why those positions should be different.

Senator Cegavske responded that she thought the positions should just be kept the way they were and could be readdressed next session.

Senator Leslie said that was why she liked option 2. It left the positions unclassified for the next biennium, but then asked the Department of Personnel to determine a classification that would be considered in the following session.

Ms. Davis reiterated that the first option was to leave the ombudsmen positions unclassified indefinitely. Option 2 would direct the Department of Personnel to look at those positions independently, similar to a desk audit with the results being whether they would fall within a classification that was currently in the system, whether they needed a new classification, or whether they would stay in the unclassified service. That information would be shared with the agency and the Fiscal Analysis Division, then the agency could use that information however it wished to incorporate it into their agency funding request for the 2013 Legislature.

Senator Leslie restated that the positions would remain unclassified in either case, and she would argue for the Letter of Intent to let the Personnel Department report back.

Assemblywoman Smith also supported conducting the study and thought that was the appropriate time to consider the classification while the new position was being created. She stated she would support option 2.

Assemblywoman Carlton supported option 2 also. She had watched the ombudsmen programs within different parts of state government grow and evolve. There were just a few positions 15 years ago, and now it seemed there was one in almost every office. The duties and functions for ombudsmen had also evolved. At times they were advocates for the consumer and at times they were navigators. She believed the Department of Personnel should conduct the study now because of possible changes that had taken place in the job. The desk audit might show there were very few changes and it would not fiscally affect the budget within the next two years. During the 2013 Session, an

informed decision could be reached based on real-time data regarding the duties and functions of the ombudsmen positions.

Assemblyman Hardy asked whether Fiscal Analysis Division staff knew for certain that there would be no fiscal impact included in such a motion.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, replied that during the 2011-2013 biennium there would be no fiscal effect related to either option. Beyond that time frame, the fiscal impact was unknown, which was why Fiscal Analysis Division staff had not included a third option of moving the ombudsmen positions into the classified service during the 2011-2013 biennium. Without the Department of Personnel study, there was no way to know what positions were going to fall into what classifications and how the pay would compare to the pay the positions were receiving as unclassified positions. That was what the option 2 study would determine—the cost of moving the ombudsmen positions to classified service. That information would allow everyone to make an informed decision whether or not the position should stay in the unclassified service or go to the classified service.

Senator Cegavske offered the following motion:

SENATOR CEGAVSKE MOVED APPROVAL OF OPTION 1.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION FAILED. (Assemblymen Goicoechea and Hardy, and Senator Cegavske voted in favor of the motion. All other members voted against the motion).

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Assemblyman Goicoechea asked the Chair whether the motion had been to adopt option 1. Chair Mastroluca responded that the motion had failed. Assemblyman Goicoechea believed there had been several aye votes. Chair Mastroluca indicated that there had been only three aye votes. Assemblyman Goicoechea called for a second vote as he had been unclear regarding the process.

SENATOR CEGAVSKE MOVED TO APPROVE OPTION 1 TO RETAIN THE OMBUDSMAN POSITIONS AS UNCLASSIFIED POSITIONS INDEFINITELY.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION FAILED. (Assemblymen Goicoechea and Hardy, and Senator Cegavske voted in favor of the motion. All other members voted against the motion).

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Senator Leslie offered the following motion:

SENATOR LESLIE MOVED APPROVAL OF OPTION 2, WHICH WOULD RETAIN THE OMBUDSMEN POSITIONS AS UNCLASSIFIED FOR THE 2011-2013 BIENNIUM AND ISSUE A LETTER OF INTENT DIRECTING THE DEPARTMENT OF PERSONNEL TO PERFORM A STUDY OF THE UNCLASSIFIED OMBUDSMAN POSITIONS.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblymen Goicoechea and Hardy, and Senator Cegavske voted no.)

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Ms. Davis continued her presentation with decision unit Enhancement (E) 250, which recommended \$3,000 in General Fund each year for a medical provider contract that would consult with the Office for Consumer Health Assistance regarding complex health issues. During the budget hearing, the agency indicated that the contract had been in effect in prior years, although not in the current biennium. Based on the available information, the decision unit appeared reasonable.

Senator Leslie agreed that the recommendation appeared reasonable and offered the following motion:

SENATOR LESLIE MOVED APPROVAL OF DECISION UNIT ENHANCEMENT 250.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. Davis said she would discuss several items together. The first item was the new federal grant of \$240,000 received by the Office for Consumer Health Assistance during the current fiscal year. The Governor recommended the funds be continued for the upcoming biennium. When the funding was originally approved by the Interim Finance Committee (IFC) in December 2010 it also included 2.51 full-time equivalent (FTE) positions, which the agency used to implement the provisions of the federal Patient Protection and Affordable Care Act (PPACA)). The grant would expand consumer-related activities and fill a need for those services in northern Nevada, particularly in the rural areas and for minority groups. The recommendation appeared reasonable.

The second, said Ms. Davis, was the elimination of funding for training and technical services. The Governor recommended elimination of the training and technical services expenditures of approximately \$4,087 over the biennium. During the budget hearing, the Office indicated that it was receiving Department of Information Technology (DoIT) and helpdesk assistance through DHHS. With the addition of new federal grant funding, the agency anticipated that the training and technical service needs would be met over the upcoming biennium. Based on that information, that recommendation appeared reasonable.

Ms. Davis said that item 3 eliminated computer replacement funding. The agency requested funding to replace its computers, which at the end of the upcoming biennium would be nine years old. However, during the budget hearing, DHHS representatives indicated that the Department had surplus computers that could assist the agency throughout the upcoming biennium, and again the federal funds would allow for some new computer equipment for the new positions. That decision unit recommended \$225 in General Funds over the biennium for anti-virus software. The recommendation appeared reasonable.

Ms. Davis indicated that there had been some discussion regarding the qualifications for the Director position. Pursuant to current statute, the qualifications indicated that the Director must be a physician, registered nurse, a practitioner of nursing, or a physician's assistant. Assembly Bill 519 would

change those qualifications. The Subcommittee could further discuss the qualifications question when that bill was heard. As Mr. Combs had discussed earlier, all budget closing sheets included a provision for technical adjustments to be addressed by Fiscal Analysis Division staff.

Assemblywoman Carlton asked whether the agency itself would undertake the duties discussed under the new federal grant or issue a request for proposal (RFP) for partners to provide services such as expanding consumer health services throughout the state or assisting consumers to enroll in group health insurance plans.

Mary Liveratti, Deputy Director, Programs, Department of Health and Human Services (DHHS), responded that the Office would actually do two things. The 2.51 FTE positions would provide outreach information and education, and the agency would also work with approximately six partners such as the Access to Healthcare Network. The partners would receive funds to assist with travel throughout the state, especially the rural areas in covering the state both north and south to provide education and outreach information about the new healthcare act.

Assemblywoman Carlton asked whether Great Basin Primary Care Association of Nevada was one of those partners, because she was employed by that agency and believed she should disclose that information.

Ms. Liveratti was unsure of the connection and referred the question to Marilyn Wills.

Marilyn Wills, Interim Director, Office for Consumer Health Assistance, responded that the agency had recently connected with Great Basin, but it was not an official partner. However GovCha had discussed the possibility of working with Great Basin on a collaborative basis.

Assemblywoman Carlton believed that because there was a possibility that her employer could directly benefit from some of those monies, she preferred to abstain.

SENATOR LESLIE MOVED TO APPROVE THE OTHER CLOSING
ITEMS 1 THROUGH 3 AS OUTLINED, INCLUDING AUTHORITY
FOR FISCAL ANALYSIS STAFF TO MAKE TECHNICAL
ADJUSTMENTS.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Carlton abstained from the vote).

BUDGET CLOSED.

HEALTH AND HUMAN SERVICES—DIRECTOR'S OFFICE
HHS-DO-ADMINISTRATION (101-3150)
BUDGET PAGE DHHS DIRECTOR-1

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated the next budget was the Department of Health and Human Services (DHHS) Administration account. The first item for the Subcommittee's consideration was the funding for the Nevada 2-1-1 system and the recommendation to transfer the system to the Office of Consumer Health Assistance budget account. During the current biennium, the 2-1-1 system was funded with \$180,879 in fiscal year (FY) 2010 and \$180,834 in FY 2011 through the budget account. A portion of those General Funds were offset with UnitedHealth settlement funds and Casey Foundation grant funds.

Ms. Davis said the Governor recommended \$31,000 in each year of the upcoming biennium in General Fund support for the 2-1-1 system. The agency had indicated that the operational cost of the current staffing level for the 2-1-1 system was \$731,344 in FY 2012 and \$731,362 in FY 2013. The agency anticipated receiving United Way funds of \$127,758 in FY 2012. Fiscal Analysis Division staff had confirmed that \$67,447 in UnitedHealth settlement funds were currently in a holding category in the budget account and available for the 2-1-1 system. The agency confirmed it did not anticipate receiving any Casey Foundation funds.

Ms. Davis recalled that during the work session, there had been discussion regarding the TXT211 program that the agency was currently testing. That program was a possible revenue source, but it was not anticipated until FY 2013. That would only occur if testing and marketing of the product were completed. There was also federal legislation that might provide additional funding for that budget. The agency testified that if the Governor's recommended level of funding was approved, the hours of operation would likely be reduced.

Ms. Davis offered the following options for consideration by the Subcommittee:

- Option A would approve the Governor's recommendation of \$31,000 in each year of the biennium to support the 2-1-1 system.
- Option B would approve the \$31,000 plus UnitedHealth settlement funds of \$67,447 for a total of \$98,447 in each year of the biennium to support the 2-1-1 system.
- Option C would include item B plus restore funding of the system to the fiscal year (FY) 2011 level. That would require an add-back of \$82,387 in General Funds in each year of the biennium.
- Option D would basically be the same as option C, but would require a General Fund add-back in FY 2013 of \$82,387 in consideration of the funds that were anticipated in FY 2012, which were also anticipated but uncertain for FY 2013.

Senator Cegavske suggested the possibility of option A with additional funding if and when it became available.

Ms. Davis clarified that the \$67,447 in UnitedHealth settlement funds was certain. The uncertain funding was United Way, and that board would make the determination in June 2011.

Senator Cegavske asked where the United Way funding would go if it were received.

Assemblyman Goicoechea also asked for clarification about whether the UnitedHealth settlement funds could be expended anywhere other than the 2-1-1 program.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, believed the UnitedHealth settlement monies that would be used for that particular purpose did not necessarily have to go to 2-1-1, but it was an allowed use of those funds.

Senator Cegavske asked whether that funding was already shown in the 2-1-1 budget.

Mr. Combs responded that the funding was not included in the 2-1-1 budget or anywhere else within The Executive Budget. However, the 2-1-1 budget would be an appropriate use of those, although the funding could be used elsewhere

Michael Willden, Director, Department of Health and Human Services (DHHS) agreed with Mr. Combs' statement.

Assemblywoman Smith expressed a fondness for the 2-1-1 program, and was concerned about ensuring the stability of the program. However, she was not comfortable adding back General Fund money at the current time. She wanted to maintain the program on a priority list if additional funds became available. Assemblywoman Smith concurred with the use of UnitedHealth settlement funds because she felt that was an appropriate and natural use of those funds. If United Way funds materialized, that funding should also be used for the 2-1-1 program.

ASSEMBLYWOMAN SMITH MOVED APPROVAL OF OPTION B TO
ADD \$67,447 IN UNITEDHEALTH SETTLEMENT FUNDS IN EACH
YEAR OF THE BIENNIUM

SENATOR LESLIE SECONDED THE MOTION.

Senator Cegavske asked Fiscal Analysis Division staff whether that included approval for the Governor's recommendation of \$31,000 in each year plus adding \$95,000 and \$67,000.

Ms. Davis responded that based on the motion, \$67,447 would be added in each year of the biennium to the Governor's recommendation of \$31,000 each year for a total of \$98,447.

Assemblyman Goicoechea expressed concern about adding the funding to the program so quickly. There were probably 300 areas within The Executive Budget that could use an additional \$60,000. He pointed out that UnitedHealth settlement funds were not dedicated to the 2-1-1 program and could be used in other budget areas.

Mr. Combs clarified that there were some limitations on the funding. The funding had to remain within the Department of Health and Human Services for programs operated by the Department, but it could be used for other DHHS programs.

Assemblyman Goicoechea reminded the Subcommittee that there were holes in several budgets.

Senator Cegavske asked where the greatest benefit would come in expending the \$67,000 UnitedHealth settlement funds.

Mr. Willden explained the history of the UnitedHealth settlement. The settlement was approximately \$15 million three years ago and there were several programs that received hard-wired dollars. The Department received a general allocation of UnitedHealth settlement dollars. That allocation had been used to support the Medicaid program in the first three years that UnitedHealth settlement money was available. For fiscal year (FY) 2012 and FY 2013, the Department made an error and did not account for that funding source in any of its budgets. With the permission of the Office of the Attorney General, the funds could be used in any Health and Human Service program. The Department neglected to include the funding in Medicaid as they had historically done, and that oversight meant there was unallocated money.

Senator Cegavske restated her question of where the money could best be used.

Mr. Willden believed it would be most beneficial in the 2-1-1 program.

Assemblyman Bobzien stated that the 2-1-1 program, which was a network that overlaid all other services and provided such a broad benefit to the state, would be a logical place to connect the money with the need.

Chair Mastroluca called for a vote. The Subcommittee was considering the following action:

ASSEMBLYWOMAN SMITH MOVED APPROVAL OF OPTION B TO
ADD \$67,447 IN UNITEDHEALTH SETTLEMENT FUNDS IN EACH
YEAR OF THE BIENNium.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis reminded the Subcommittee that the other item regarding the 2-1-1 system was the Governor's recommendation to transfer the program from the DHHS Administration budget account to the Consumer Health Assistance budget account. There was some discussion and concern expressed by the Subcommittee about the synergy of those two programs. However, the agency indicated that the missions and activities were similar and were interconnected. Both had a high consumer activity level, and combining marketing efforts would provide better outreach to consumers. Lastly, the additional supervision and management could be provided to the 2-1-1 system and that was beneficial to the agency. The recommendation to transfer the 2-1-1 program to the Consumer Health Assistance budget account appeared reasonable.

Assemblywoman Carlton wanted to make sure she understood the process and wondered about the current status of GovCha.

Ms. Davis stated that the Subcommittee had just approved moving the Governor's Office for Consumer Health Assistance to the Office of the Director, Department of Health and Human Services (DHHS). The 2-1-1 system was recommended to transfer to the Consumer Health Assistance budget account.

Mr. Willden stated that there were three functions being merged under a single administrative account, which would begin with moving the Office of Minority Health, which had been in the Health Division. When legislation was originally passed, the Office of Minority Health was an appropriation to the Director's Office and DHHS delegated the Office to the Health Division. The second piece was the Governor's Office for Consumer Health Assistance, which was located separate and apart from similar programs. The previous administration had recommended that program be moved to the DHHS Director's Office. It was a logical move and synergism could occur between the offices of Minority Health and Consumer Health Assistance. Finally, when DHHS needed to make a decision about the placement of the 2-1-1 program, it appeared that the best choice for management, oversight, and supervisory control was in the Director's Office.

Assemblywoman Carlton was concerned that the programs would get lost with all the merging and moving. She wanted assurance that DHHS would maintain the same priorities. The 2-1-1 program was important in providing assistance and information to users of the system.

Mr. Willden guaranteed that there would be consistent improvement going forward. He understood those were valuable programs and they would not be

lost on the website, the phone directories, or the contacts. The programs would not be lost or relegated down to a lower level. Mr. Willden anticipated better operational efficiency and understood Assemblywoman Carlton's concern.

Senator Cegavske offered the following motion:

SENATOR CEGAVSKE MOVED TO APPROVE THE
RECOMMENDATION TO RELOCATE THE 2-1-1 PROGRAM WITHIN
THE CONSUMER HEALTH ASSISTANCE BUDGET ACCOUNT.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis said the next item was the change of funding for the suicide prevention trainer. Currently that position was funded with General Funds, and the Governor recommended that approximately \$100,000 in federal Youth Suicide Prevention grant funds be used instead. The agency testified at the budget hearing that based on the change in funding the position, the duties would not diminish in any way and that the funding shift was within the parameters of the federal grant. The agency indicated that it continued to develop and maintain partnerships with other groups such as the crisis call center to provide additional training and technical assistance. Ms. Davis stated that the recommendation appeared reasonable.

Senator Cegavske offered the following motion:

SENATOR CEGAVSKE MOVED TO APPROVE THE CHANGE IN
FUNDING FOR THE SUICIDE PREVENTION TRAINER POSITION
FROM GENERAL FUND TO GRANT FUNDS.

SENATOR LESLIE SECONDED THE MOTION

THE MOTION CARRIED UNANIMOUSLY.

Ms. Davis discussed the recommendation for an increase in travel and training expenditures under decision unit Enhancement (E) 326. The Governor recommended \$13,145 in each year of the biennium to restore the out-of-state travel and training expenditures to the level approved by the 2009 Legislature. That would allow staff to attend out-of-state conferences. Fiscal Analysis Division staff had reviewed what the agency had spent in those two categories over a five-year period. The recommendation exceeded that average. However, the agency indicated it had been freezing expenditures in those categories based on budget reductions. The agency did not feel that recent spending was an accurate representation of its actual need. The recommendation in the decision unit would provide for training for the Director, a deputy director, and the administrative services officer to attend conferences out of state. It was helpful for them to interact with their peers in other states and share knowledge and ideas. The Subcommittee had questioned whether those conferences were mandated by state or federal law, and the agency reported that none of them were mandated by state statutes or federal regulations.

Ms. Davis stated that after discussion with the agency, Fiscal Analysis Division staff was able to make a base year adjustment of \$868 in each year and a reduction of \$1,309 in each year for the elimination of one conference. The question for the Subcommittee was whether to approve the restoration of travel and training expenditures as adjusted.

Chair Mastroluca asked for verification that the elimination of the conference was reflected in the \$7,516 amount.

Ms. Davis said that the Subcommittee would be approving \$13,145 less those two adjustments, which reduced that amount by \$2,177 in each year.

SENATOR LESLIE MOVED TO APPROVE THE TRAVEL AND TRAINING EXPENDITURES AS RECOMMENDED BY THE GOVERNOR WITH ADJUSTMENTS AS OUTLINED BY FISCAL ANALYSIS DIVISION STAFF.

Senator Leslie commented that employees needed some training. The amount was the bare minimum, but the state could not expect to maintain high quality staff without giving them the opportunity for some travel and training.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. Davis said that under other closing items the first item was the transfer of the Developmental Disabilities account back to the Director's Office. The account was transferred out of that budget by the 2009 Legislature. The Subcommittee would address that question when it considered the closing of the Developmental Disabilities budget account at a later time. Fiscal Analysis Division staff would seek authority to make any adjustments based on that ultimate decision.

Ms. Davis discussed other item 2, the federal Health Information Technology (HIT) grant, which was approved and authorized for expenditure by the Interim Finance Committee (IFC) in February 2010. The grant was awarded from the American Recovery and Reinvestment Act of 2009 (ARRA). The grant funded \$6.1 million over a four-year period and supported four positions. The recommendation was to continue that funding. The funding had already been approved and would be continuing through the upcoming biennium. The recommendation appeared to be reasonable.

Ms. Davis continued that other item 3 was for \$16,051 over the biennium for replacement computer hardware and software which was in accordance with the Department of Information Technology (DoIT) five-year replacement schedule.

Senator Leslie offered the following motion:

SENATOR LESLIE MOVED TO APPROVE OTHER ITEMS 1, 2, AND
3 AS OUTLINED BY FISCAL ANALYSIS DIVISION STAFF WITH
AUTHORITY FOR STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES—DIRECTOR'S OFFICE
HHS-DO – GRANTS MANAGEMENT UNIT (101-3195)
BUDGET PAGE DHHS DIRECTOR-16

[Dianne Farkas submitted Public Comment regarding the Family to Family Connection program ([Exhibit C](#)) and asked that it be made part of the record.]

Joi Davis, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the next budget was the Grants Management Unit, budget account (BA) 3195. The first issue for consideration was the elimination of the Family to Family (F2F) Connection program, which had been discussed during the work session. The recommendation was to eliminate General Funds of approximately \$2.5 million over the biennium and to use a portion of those savings to restore the Differential Response (DR) program and the Family Resource Centers (FRCs) to the fiscal year (FY) 2011 level.

The Governor also recommended using tobacco settlement funds for the DR program and the FRCs in FY 2013 instead of General Funds, and using those savings, which was approximately \$2.6 million, for the Silver State Works program that was proposed under the Division of Welfare and Supportive Services. The agency indicated that of the 20 Family to Family programs, 18 were operating within FRCs and 2 were stand-alone programs. Based on the Governor's recommendation, the two stand-alone facilities would close. The Pershing FRC, which included an F2F program, would also close. Three FRCs that had been colocated with F2F programs would no longer provide any F2F services. Thirteen Family Resource Centers that had been colocated with F2F programs would attempt to continue some level of F2F program services. The agency indicated that 12 FRCs would significantly reduce their physical space, office hours, staff hours, and outreach efforts.

During the work session the Subcommittee had requested additional information regarding how the funds would be appropriated. Ms. Davis indicated that the breakdown was depicted in [Exhibit D](#), "State Fiscal Year 2012 Allocations—Family Resource Center and Differential Response," provided by the Department of Health and Human Services (DHHS). Funding for the stand-alones was approximately \$145,000 for the West Charleston location and \$111,000 for the St. Rose Dominican location which were the two stand-alones about which the Subcommittee had expressed concern. The funding for the two urban areas, Washoe and Clark Counties, totaled \$599,515 and the total funding for the rural areas was \$431,085. The agency reviewed services provided by the state

that offered similar services to those offered through the F2F program and 16 agencies were identified.

Ms. Davis explained that during the work session there was discussion about reallocating minimum funding to restore some level of the F2F programs. The agency indicated the amount would not benefit the F2F program or provide meaningful levels of service, and the reduction in funding to the DR program and the FRCs would be detrimental.

Ms. Davis offered the following options for consideration by the Subcommittee.

- Option A would approve the Governor's recommendation to eliminate \$2.5 million in funding for the F2F program and then take a portion of that savings—\$471,149 each year—and restore the Family Resource Centers and the DR program to the fiscal year 2011 funding level.
- Option B would be to restore General Funds to the F2F program, which would require \$1.24 million in each year of the biennium.
- Option C would be to restore General Funds sufficient to maintain the Family to Family program at a level below the current funding. That level of funding could be determined by the Subcommittee.

Senator Horsford asked whether the amount of money that would go to the DR program and the FRCs would be \$2.6 million of tobacco funds. He wondered what portion of that would be used for the Silver State Works program.

Ms. Davis responded that the \$2.6 million was General Fund money from the DR program and the FRC program. There was an additional proposal in another budget account to be discussed later, which was for \$3.8 million from the Trust Fund for Public Health to be combined with the \$2.6 million. That would go toward using the tobacco settlement funds of approximately \$3.8 million for the Family Preservation program in the Division of Mental Health and Developmental Services (MHDS), and for the autism and brain injury programs in the Aging and Disability Services Division. Combined, \$6.4 million in redirected General Funds was proposed within the Division of Welfare and Supportive Services' budget to support a portion of the Silver State Works program.

Senator Horsford stated he wanted to separate the funding for FRCs and DRs from money that may potentially be diverted for the Silver State Works

program. Because there was not a bill regarding the Silver State Works program, the Subcommittee needed to have a policy discussion on how that program would actually operate, if and when it was approved. He did not want to predetermine in any of the decisions about Family to Family that the Subcommittee would agree in any manner to dedicate that funding to Silver State Works because the two had nothing to do with each other. He asked that the Subcommittee schedule a policy discussion about Silver State Works because it was not in a bill.

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the following Thursday a work session was scheduled with the Subcommittee to hear the Division of Welfare and Supportive Services' budgets. One of the discussions would be the Governor's proposal to allocate approximately \$10 million to establish Silver State Works.

Assemblyman Hardy asked, should the Subcommittee agree to the Governor's proposed budget, whether the numbers in [Exhibit D](#) would stand.

Ms. Davis responded that those were grant awards for fiscal year (FY) 2011.

Chair Mastroluca asked if the Governor's recommendation was approved, would all the money for F2F be removed and would the Pershing F2F and FRC be closed completely.

Ms. Davis stated that was correct.

Senator Horsford wanted to review [Exhibit D](#), which contained information that had not been available earlier. With the recommendation that was being proposed, he was not sure of which services would be provided in which facilities.

Chair Mastroluca explained that from the discussions the Subcommittee had with Fiscal Analysis Division staff, there were things she was clear about. The Family to Family program would be completely eliminated. The stand-alone program located at West Charleston would be completely eliminated and there would be no F2F services for that entire area. The F2F program at St. Rose Dominican Hospital would also close. In Pershing County, the entire program would close, both F2F and the FRC.

Senator Horsford asked how the decision had been reached to close the Pershing County facility.

Ms. Davis replied that the agency had testified at the work session that the two stand-alones would close and the Pershing facility would close based on the Governor's recommendation.

Senator Horsford responded that Lander County would have a Family Resource Center with only \$8,816 in funding.

Ms. Davis said those were the 2011 fiscal grants. She did not know whether those amounts would be exact.

Senator Horsford reviewed [Exhibit D](#). Humboldt County would have approximately \$14,000. Churchill County would have \$28,391 plus the \$87,067 in Differential Response. There had been testimony that implied by augmenting the Family Resource Centers, the loss of F2F would be compensated, but he did not believe that was possible.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, clarified that the grants for the Family Resource Centers went through the Grants Management Advisory Committee process, so although the fiscal year (FY) 2011 amounts could be used as a guide as to what proportion of the money those resource centers had been receiving, it was ultimately the pool of money that the Subcommittee approved for Family Resource Centers that would be allocated by the Grants Management Advisory Committee among those various programs. The Governor's recommendation would not approve any money for the Family to Family program but would approve some money for the Family Resource Centers to get back to the current level of service, and perhaps compensate for some of the loss of the F2F program. Mr. Combs did not think there were strict restrictions on how the Family Resource Centers would use the money received. The DR and the FRC programs were designed to continue, but the F2F program was not.

Senator Leslie said the funding was confusing. She stated that her understanding was that they would not be adding anything to the Family Resource Centers, but would restore the cut.

Mr. Combs stated it was the testimony of the agency that the FRCs and DR programs would remain at the current level of service. The fiscal year (FY) 2011 figures in [Exhibit D](#) did not reflect the cut.

Mike Willden, Director, Department of Health and Human Services (DHHS), stated that Mr. Combs was correct. The intent going forward was that Family Resource Centers would operate with a \$1.3 million budget. Differential Response had about a \$1.23 million budget and the F2F program's budget was historically about \$1.2 million. The Governor's recommendation was that the F2F's \$1.2 million budget would be eliminated and the FRC's \$1.2 million and the DR's \$1.23 million would continue. Instead of having 3 funding streams at approximately \$1.2 million a year, there would only be 2 funding streams, and the FRC funding stream was the most generic in statute. That program was pretty much a cradle-to-grave service. Each Family Resource Center could decide the kinds of services it wanted to provide. There was no new money—an infusion to the FRC.

Mr. Willden continued that the Department had some discussion with the Governor's Office, and Mr. Willden had provided information to leadership that DHHS did not want to see the rural Family Resource Centers collapse under the funding structure. There had been a suggestion that an add-back be reviewed for rural Family Resource Centers. That would not resolve the two stand-alone F2F programs that would still have to close. The stand-alone funding was about \$256,000 and the rural funding was about \$431,000.

Senator Leslie stated that under the scenario, the FRCs would not have to provide F2F services, though some would at different levels. Under that recommendation the signature program from Governor Bob Miller and First Lady Sandy Miller, the Family to Family program, would be eliminated. The FRCs might provide some level of early childhood intervention services, but there would be no F2F program.

Mr. Willden advised that he had a document with the recommended add-backs that he would share with the Subcommittee.

Senator Horsford said he had heard something that piqued his need to make a comment on the record. The priority list would ultimately be determined by the Legislature on what to add back now that the Governor's budget had been submitted. It appeared the plan was for add-backs for the rural FRCs, but he did not hear what the plan would be for the FRC locations in North Las Vegas, on East Sahara, on West Charleston, and in Henderson and whether those would be part of the priority.

Mr. Willden said there would be an add-back recommendation that would go through the Family Resource Center funding stream to prop up nine or ten of the

rural Family Resource Centers so they had adequate funding to stay open and provide valuable services. No add-backs were being recommended for the F2F urban areas.

Senator Horsford wanted to know why DHHS was singling out certain regions to add back and not others.

Mr. Willden replied that DHHS had reviewed the rural regions because the FRCs received so little money to continue operation. Some rural FRCs received \$8,000, \$9,000, or \$15,000. The decision had been made to fund the rural FRCs because there were so few resources available in those areas.

Senator Horsford said he fully appreciated that concept. That was why he was an advocate for funding the Family to Family program and the other services adequately and he would support a balanced way to do so; he was not the one refusing to find ways to fund those programs. He commented that DHHS had chosen rural centers on the basis of lack of funding and lack of levels of support. He asked about the basis of need, waiting lists, and the demonstrated effect in some of the urban areas in the north and south.

Mr. Willden recognized and understood that FRCs provided valuable services with the amount of money that was available. The DHHS reviewed the funding that was available for FRCs by location, and the amount of Differential Response (DR) money available by location. Referring to [Exhibit D](#), he explained that some of the FRCs never had DR money. The DHHS looked at all three funding streams and tried to recommend adding back to support a basic funding amount for programs to operate in their communities. Mr. Willden said it might not have been the best solution, but DHHS was trying to make the best decisions it could with the resources available. He was open to additional discussion.

Senator Horsford believed the add-back amounts should be set by the Subcommittee. He did not want to single out certain programs now for add-back without having a full understanding of where the need was, where the affects would be, and where the willingness was to fund the services at an adequate level in general. He restated that was a discussion that needed to be left to the Subcommittee.

Senator Cegavske asked what other resources and programs were available in the state. She asked if there was a list of monies that were provided either

locally or from grants for some of the programs. She thought perhaps St. Rose Dominican Hospital might have some other funding source.

Ms. Davis recalled a rural supplement that had been available and perhaps that was what Senator Cegavske remembered, but she did not think the other funds had been State General Funds.

Chair Mastroluca recalled that there had been testimony about 16 entities that could perhaps offer similar services. She thought that might have been the reference. She did not recall a conversation about additional dollars that might be available.

Chair Mastroluca asked Mr. Willden to discuss the rural supplement and how those areas had been chosen.

Mike Willden addressed [Exhibit D](#) and cautioned that the numbers were best estimates because as Mr. Combs had said, final funding decisions had not been made for fiscal year 2012. The DHHS document showed a best estimate of where the funding streams would go to those entities that provided FRC, DR, or F2F services. The first agency listed was an FRC in North Las Vegas which had an F2F program, but could do a Differential Response (DR) program. The total award was about \$315,000. He also pointed out Mesquite/Bunkerville had FRC funding of \$15,574, but no DR funding. To provide Mesquite/Bunkerville a minimal amount of money to keep its doors open and provide services, DHHS recommended using add-back dollars, if any existed, to provide a rural supplement to that FRC and to other rural FRCs as well.

Mr. Willden noted that for all FRCs, the funding stream would be roughly \$1.3 million. The funding stream for DR would also be roughly \$1.3 million. The rural supplement was designed for those centers most in danger of not being able to provide services. For example, Pershing County said they could not provide any services, so DHHS wanted to provide some money for services in Pershing County. However, DHHS would have to find a different entity in Pershing County because the school district could no longer provide services because of the loss of Even Start [family literacy grant] dollars. Mr. Willden understood that the urban F2F programs could also present an argument for add-back funding.

Senator Leslie stated the suggested add-back was \$95,681 per year over the biennium. She asked whether the concern was that the entire FRC program

might close or whether the rural supplement was intended to allow FRCs to provide some F2F-type services.

Mr. Willden responded that the rural supplement was intended to allow FRCs to provide any services they believed were beneficial to their communities.

Senator Horsford restated that the fiscal priority needed to be set by the Subcommittee. For example, the new Silver State Works (SSW) program might not be approved. The suggestion was to fund \$6.4 million of SSW using \$3.8 million from the Fund for Public Health Trust and \$2.6 million in tobacco funds. He believed the Subcommittee was making the decision to eliminate the F2F funding, but the Subcommittee needed a priority list to restore funding. He wanted input from Mr. Willden even though the Subcommittee would be making the decisions.

Senator Horsford said that in North Las Vegas, the Olive Crest Center was the only facility of that kind in the area. In a study the issues of child welfare, juvenile justice, and inmate incarceration had been mapped. The top ten zip codes and census tracts were in the same area and were in the heart of his Senate district. He would not support restoring funding in some areas and not in other areas where there was also great need; the funding needed to be balanced.

Senator Horsford spoke about teen-age mothers, whose children would be underserved without the program. He spoke about the fact that the Differential Response (DR) program in that community was making a difference in keeping families together. He knew what those programs meant to his community and would fight to make sure they were funded. If other members of the Subcommittee did not want to fight to make sure the funding for their community was preserved then that was up to them. But if he was willing to fight for his constituents, then he believed others should too.

Reflecting upon Senator Horsford's comments, Chair Mastroluca said she would like to address the F2F stand-alone facility on West Charleston. Studies had shown that program served about 5,000 families per year. In those zip codes the instances of child abuse had gone down because of the F2F program. Because of that connection and the ability for people to access services, she agreed with Senator Horsford that it was necessary to prioritize funding. While the services in the rural areas were often the only ones available, to allow 5,000 families in one urban area to lose services that had proven to be so

beneficial was a difficult argument to make. Chair Mastroluca supported Senator Horsford's enthusiasm to fight for the funding.

Mr. Willden said there was a limited amount of funds. The DHHS had been asked to create a prioritized add-back list. The Department had diligently taken that request forward to the Governor and the Director of the Budget Division and had prioritized the list. Mr. Willden understood that others had different views, which he respected, and he knew that those were difficult decisions. He was committed to work with the Subcommittee and prioritize services with the limited funds available.

Senator Leslie said she had visited every rural FRC and knew what important unique services were provided by Family Resource Centers. The Legislature had never been able to adequately fund the centers to meet the need. Additionally, she had visited many of the urban centers where there was also tremendous need and where many more people were served. She asked how Mr. Willden had arrived at the total number of \$95,681.

Mr. Willden replied that the agency's task had been to fill in the priorities: which centers were in danger of closing and what the basic level of funding was. The DHHS was willing to continue discussion and provide any requested information.

Senator Leslie said she would support an add-back to the Family Resource Centers (FRCs) with the understanding that would not mean the FRCs would provide F2F services. She understood FRCs could not provide those services at the current level. Senator Leslie believed that was tragic and that the state would pay for that decision in the long run when more children were neglected and abused. Because it was a complicated question, she was not prepared to choose which agencies received funding at the present time, but would support making FRCs a priority on an add-back list.

Assemblyman Goicoechea said his understanding was that \$95,000 came from the Governor in his add-back.

Mr. Willden explained that it became evident last week with revised caseload figures, and the cost per eligible, because of the new Federal Matching Assistance Percentage (FMAP) for Medicaid, that there was a potential opportunity to add back some services. He had met with Senator Horsford, the Governor, and others who felt a need to prioritize possible add-backs. The Governor's Office had provided a list of priorities. Mr. Willden provided that list

to Legislative leadership, and the Governor's Office asked him to work with the Subcommittee to get consensus about the add-back priorities. There was not enough money through the caseload and FMAP cost per eligible window of opportunity to fund everything that had been cut. The amount was approximately \$42 million. That amount could be spent in a number of ways and when the new tax revenue forecast was released, perhaps the money would evaporate. However, it was an opportunity to discuss priorities for a possible \$42 million add-back.

Assemblyman Goicoechea asked whether \$40 million was the total amount at the present time.

Mr. Willden stated that was the amount. When Mr. Willden met with the Budget Division and Fiscal Analysis Division staff, they reran the numbers and netted out the items for which the funds had already been obligated and discovered approximately \$42 million more in funding.

Senator Cegavske stated that she had contacted several of the nonstate entities on the list and asked them about the services they provided. Many of them provided services with federal funding rather than state funding. She asked about the differences between the Family Resource Centers (FRCs) and the Family to Family program and the services provided by each. There appeared to be many similarities in the functions, at least in the areas that she that she had researched within her district.

Senator Cegavske agreed with Senator Horsford that legislators should be concerned with their specific constituents, but legislators also represented the entire state. She believed the add-back discussion was right for the entire Legislature, not just the Subcommittee. Senator Cegavske said she would support option A and work on a priority list that everyone could build consensus on. She welcomed input from DHHS, the Governor's Office, and other interested parties, but felt all decisions should be delayed until after the Economic Forum met. Senator Cegavske reiterated the difficulty of the decisions facing the Subcommittee, and thanked Mr. Willden and DHHS for its work.

SENATOR CEGAVSKE MOVED APPROVAL OF OPTION A,
APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO
ELIMINATE \$2.5 MILLION IN FUNDING FOR THE FAMILY TO
FAMILY PROGRAM OVER THE 2011-2013 BIENNIUM, AND
APPROVE TO USE A PORTION OF THE SAVINGS TO RESTORE

FUNDING FOR THE FAMILY RESOURCE CENTERS AND
DIFFERENTIAL RESPONSE PROGRAMS.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

Senator Leslie asked whether the motion included more discussion about potential add-backs. There was no way to know how much money might be available.

Senator Cegavske stated she was not prepared to add that to her motion. She believed it was a separate issue.

Senator Leslie did not think she could support the motion without the understanding of an add-back priority.

Assemblyman Hardy pointed out that the budget line item was the Governor's recommendation, but he wondered whether the money that theoretically could be in excess was part of the Governor's recommendation. He believed that was a discussion for another day if additional funds became available.

Chair Mastroluca said that the concern was that without including the add-back priority discussion in the motion, there was no guarantee that it would be discussed later.

Senator Horsford said that unfortunately the way option A was written, it did not ensure that the add-back discussion would occur at a later date, and he asked the maker of the motion to reconsider. He hated having to support a motion to eliminate the Family to Family (F2F) program and knew other members shared that feeling. The Subcommittee was at the point where members had to start finding common ground with the Governor on his proposed budget.

Senator Horsford said he could only support elimination of the F2F program if he was assured that the money that was identified for add-backs went to restore funding or reduce the cuts to the FRCs and the Differential Response (DR) program. Those were programs that provided the last safety net for families. Those were programs where parents learned to support their child, whether they had given birth to them yet or not. Those were programs that provided support to families to prevent them from losing custody of their children.

Senator Horsford noted that DR was a program that provided case management support and family support so when at-risk children might be removed from their homes, the program assistance could mitigate that risk so that children could remain, if possible, with their families. It was a very important decision that the Subcommittee was making, and he wanted to restore the funding to the FRC and the DR programs in any way possible. Senator Horsford again asked the maker of the motion to consider the concerns that had been raised. It was a difficult decision, but one that should be made together.

Senator Cegavske indicated that she understood how Senator Horsford wanted the motion to be made; however, she wanted to stand with option A. She thought they were two separate issues and the first motion should be regarding the budget recommendation. A priority list could then be established for consideration when funds became available, and the Subcommittee could decide the best fit for those funds. Senator Cegavske did not want to place the Subcommittee in a situation where it was guaranteeing that money would be replaced. The Subcommittee could not afford to do that with any budget; a priority list was needed for review by the Subcommittee when funding became available.

Assemblywoman Smith stated that putting the FRC program on an add-back list would not obligate the Subcommittee to take action. They were stating that the item was a painful cut and was a priority for the Subcommittee, so if funding became available, that was an item the Subcommittee wanted to consider. The pain of making the vote would be mitigated by the agreement to revisit the program on an add-back list. The FRC was a great front-end program that saved the state money on the back-end. Assemblywoman Smith hoped that more children would not end up in foster care or in a situation that ended up costing the state more money because those families went without a support system that served them well.

Assemblywoman Smith said she had served on the team that wrote the first grant for the Family Resource Center (FRC) in Sun Valley and the data was staggering. The current motion was an especially painful decision for her to make. She was willing to cast her vote if there was an agreement by the Subcommittee that the program would be a priority, if and when additional funds became available for add-backs. There was no obligation attached, just a statement of priority.

Assemblyman Goicoechea believed it would be a continual struggle for Subcommittee members with all the difficult cuts they would have to make in

many of the budgets they were dealing with. The Subcommittee did not know what the bottom line would be until May 2011, and could not make decisions about add-backs until the amount of available funding was revealed. All the Subcommittee could do was continue the process with the reality of the current budget, hoping there would be money to fill some of the budget holes. The Subcommittee would have to go through the budgets and make a list of those areas that would be prioritized, but it could not make a commitment until the final figures were available.

Chair Mastroluca asked whether the Subcommittee would prefer the term "wish list." While she understood the frustration on both sides, she believed the reason for including the possibility of add-backs in the motion was acknowledging to the residents of Nevada that the Subcommittee valued those programs. Putting the add-back priority in the motion would make it more definitive and would hold the Subcommittee accountable to review the programs again. Chair Mastroluca said if there was no money, there was no money, but the Subcommittee needed to be held responsible and accountable to the families who depended on those programs.

Senator Leslie responded that it was not a "wish list." The Subcommittee had always had an add-back list. Her recollection was that in previous sessions the Subcommittee had included adding programs to an add-back list in the motion. She did not remember taking separate motions. She would prefer a motion that said the Subcommittee would accept option A with the understanding that the programs would be placed on the add-back list, and if funding became available, the priorities would be discussed further.

Assemblyman Goicoechea added that technically the Subcommittee would then be voting not to close the budget.

Senator Cegavske responded that closing the budget and making the motion to put the programs on an add-back list should be two separate motions. She believed that making the motions separate would still show the importance of the programs to the Subcommittee. She repeated her motion.

SENATOR CEGAVSKE MOVED TO APPROVE OPTION A, APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE \$2.5 MILLION IN FUNDING FOR THE FAMILY TO FAMILY PROGRAM OVER THE 2011-2013 BIENNIUM, AND USE A PORTION OF THE SAVINGS TO RESTORE FUNDING FOR THE

FAMILY RESOURCE CENTERS AND DIFFERENTIAL RESPONSE PROGRAMS.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

THE MOTION FAILED. (Assemblymen Goicoechea and Hardy, and Senator Cegavske voted aye and all other members voted no.)

SENATOR LESLIE MOVED TO APPROVE OPTION A WITH THE UNDERSTANDING THAT THE SUBCOMMITTEE WOULD INITIATE AN ADD-BACK LIST AND THE ISSUE OF ADDITIONAL FUNDING FOR FAMILY RESOURCE CENTERS AND FAMILY TO FAMILY PROGRAMS WOULD BE LISTED ON THE ADD-BACK LIST. THERE WOULD BE NO DOLLAR AMOUNT OR ANY SPECIFIC COMMITMENT REGARDING ADDITIONAL FUNDING. THE INTENT OF THE SUBCOMMITTEE WAS FOR FURTHER REVIEW OF THOSE PROGRAMS SHOULD ADDITIONAL FUNDING BECOME AVAILABLE.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

Assemblywoman Smith said that was probably a discussion the Subcommittee would have occasionally. No Subcommittee member believed there would be a significant number of add-backs, but perhaps there should be an agreement about the framing of the motion. If add-backs made members uncomfortable because of the commitment, then perhaps a priority list would make some members more comfortable. It might be helpful for the Subcommittee to create a priority list for those programs and any topics that would be discussed later.

THE MOTION CARRIED. (Assemblymen Goicoechea and Hardy, and Senator Cegavske voted no.)

Ms. Davis continued her presentation by discussing the redirection of tobacco funds for General Fund programs and the elimination of the tobacco cessation grants. The tobacco cessation grants had been eliminated in fiscal year (FY) 2012 because of funding sweeps from the tobacco fund. In FY 2013, the Governor recommended redirecting the tobacco funds that would have been

used for tobacco cessation grants to be used to offset the General Fund need for the FRC and DR programs. Freed-up General Funds would be combined with additional funds freed up in budget account 3261 (Healthy Nevada Fund) to be used for the Silver State Works program. The Subcommittee had expressed concern regarding the elimination of tobacco cessation grants, particularly considering the source of those funds. The agency had indicated it had been successful in obtaining Centers for Disease Control and Prevention (CDC) grants to assist with tobacco cessation efforts, and although that funding was not certain, the agency anticipated that funding would continue throughout the upcoming biennium.

Ms. Davis asked whether the Subcommittee wished to approve the recommendation to eliminate tobacco settlement funds for tobacco cessation grants in FY 2013 and redirect those funds for the DR and FRC programs.

SENATOR LESLIE MOVED APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO ELIMINATE TOBACCO SETTLEMENT FUNDS FOR TOBACCO CESSATION GRANTS FOR FISCAL YEAR 2013 AND REDIRECT THOSE FUNDS TO SUPPORT THE DIFFERENTIAL RESPONSE PROGRAM AND FAMILY RESOURCE CENTERS. ALSO, TO USE \$86,569 IN AVAILABLE TOBACCO SETTLEMENT FUNDS FOR FISCAL YEAR 2012 TO OFFSET THE GENERAL FUNDS FOR THE DIFFERENTIAL RESPONSE PROGRAM.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Goicoechea and Senator Horsford were not present for the vote.)

Ms. Davis stated that the Governor recommended an increase of \$17,177 in each year of the biennium for travel and training for DHHS staff. She said \$3,486 of that was General Fund. That funding would provide for staff to attend out-of-state conferences. The agency reported that the majority of the travel and training was directly related to federal grant administration. Ms. Davis asked whether the Subcommittee wished to approve the recommendation.

Chair Mastroluca clarified that if the recommendation was approved, only \$3,486 would come from General Funds each year.

SENATOR LESLIE MOVED TO APPROVE THE RECOMMENDED TRAVEL AND TRAINING FOR DHHS STAFF.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Goicoechea and Senator Horsford were not present for the vote.)

Ms. Davis stated the next three items for the Subcommittee could be taken together.

- Item 1, which appeared to be reasonable, recommended eliminations and changes in personnel as follows:
 1. Elimination of an administrative assistant position that had been vacant over the 2009-2011 biennium, which would result in a General Fund savings of \$78,939 over the 2011-2013 biennium.
 2. Reduction of a social services program specialist position from full-time to part-time, resulting in a \$70,782 savings (\$40,359 General Funds) over the 2011-2013 biennium.
 3. Reduction of an administrative assistant 3 position to an administration assistant 2, resulting in an \$8,782 savings (\$5,150 General Funds) over the 2011-2013 biennium.
- Item 2 was the elimination of Temporary Assistance for Needy Families (TANF) Title XX transfer funds which had been used for the Division of Child and Family Services (DCFS) caseworker's salaries and foster home placement costs. The item would be discussed in more detail when the Subcommittee closed the DCFS budgets. The recommendation appeared reasonable.
- Item 3 was \$7,118 (\$3,915 in General Funds) in fiscal year (FY) 2013 only for replacement of computer hardware and software which was in

compliance with the DoIT replacement schedule. The recommendation appeared reasonable.

Senator Leslie offered the following motion:

SENATOR LESLIE MOVED TO APPROVE ITEMS 1, 2, AND 3 AS RECOMMENDED BY THE GOVERNOR, ALONG WITH TECHNICAL ADJUSTMENTS AS NECESSARY BY FISCAL ANALYSIS DIVISION STAFF.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Goicoechea was not present for the vote.)

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES—DIRECTOR'S OFFICE
HHS-DO – PROBLEM GAMBLING (101-3200)
BUDGET PAGE DHHS DIRECTOR-26

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, continued with the Problem Gambling budget account. The issue for the Subcommittee's consideration was the redirection of the quarterly slot license fees to the General Fund. That was approximately half of the revenue projected for the budget account of \$766,297 in fiscal year (FY) 2012 and \$766,651 in FY 2013. Rather than being used for programs for prevention and treatment of problem gambling, the funds would be redirected to the General Fund. The remaining funds in the budget account would continue to be used for the treatment of problem gambling and administrative costs.

Ms. Davis advised that Assembly Bill 500 would effectuate the action for the upcoming biennium, so it was a temporary proposal. She reminded the Subcommittee that during the 26th Special Session (2010), \$850,000 in quarterly slot tax fees were eliminated from the budget and redirected to the State General Fund. The remaining funds allowed for the continuation of the treatment programs. The agency indicated that the Nevada Council on Problem Gambling would continue to provide services for the prevention of problem

gambling. However, the Council would have to rely on corporate sponsorships and donations to continue those prevention activities. The Council would likely have to reduce or eliminate public service announcements and educational outreach.

Ms. Davis asked whether the Subcommittee wished to approve the Governor's recommendation to redirect those slot tax revenues to the state General Fund, resulting in the elimination of prevention programs over the biennium.

ASSEMBLYMAN HARDY MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO REDIRECT THE SLOT TAX REVENUE TO THE STATE GENERAL FUND WITH ANY TECHNICAL ADJUSTMENTS BY FISCAL ANALYSIS DIVISION STAFF.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Goicoechea was not present for the vote.)

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES—DIRECTOR'S OFFICE
HHS-DO – CHILDREN'S TRUST ACCOUNT (101-3201)
BUDGET PAGE DHHS DIRECTOR-28

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the Subcommittee had not previously heard the budget, but there were no major concerns. Ms. Davis noted that there was a projected 5 percent decrease in revenue based on a 5 percent decrease in birth counts. The budget was funded by fees for birth and death certificates.

Senator Leslie offered the following motion:

SENATOR LESLIE MOVED TO CLOSE BUDGET ACCOUNT (BA) 101-3201 AS RECOMMENDED BY THE GOVERNOR.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Goicoechea was not present for the vote.)

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES—DIRECTOR'S OFFICE
HHS-DO – INDIGENT SUPPLEMENTAL ACCOUNT (628-3244)
BUDGET PAGE DHHS DIRECTOR-39

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said the next item was the Indigent Supplemental Account. The item was the redirection of property tax proceeds to offset the General Fund shortfall. Fund sweeps had been occurring from the budget account since December 2008. The Governor's recommendation continued those fund sweeps amounting to \$19,677,508 projected in fiscal year (FY) 2012 and \$19,839,105 in FY 2013. The funds would go to the General Fund rather than reimbursing Nevada counties for indigent hospital care. Ms. Davis noted that Assembly Bill 529, which had been referred to the Assembly Committee on Ways and Means, would authorize those funds to be used for any other purpose authorized by the Legislature.

Ms. Davis said that during the Subcommittee hearing on February 11, 2011, the Subcommittee heard from representatives of the University Medical Center in Las Vegas and the Nevada Hospital Association who expressed concerns about the dramatic effect that the redirection of those funds continued to have on those organizations. Ms. Davis directed attention to [Exhibit E](#), which was information that the Subcommittee had requested during the work session. The exhibit showed total supplemental claims listed by hospital for FY 2010.

Ms. Davis said the decision for the Subcommittee was whether to approve the Governor's recommendation to continue the redirection of those tax proceeds in the upcoming biennium.

Senator Leslie expressed concern about how much longer that practice would continue and noted the funds would be redirected for a third session. That money was being collected for a specific purpose, and the state continued to take those funds for any purpose authorized by the Legislature. Senator Leslie said she would reluctantly support the motion.

ASSEMBLYMAN HARDY MOVED APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO REDIRECT TAX PROCEEDS OF APPROXIMATELY \$19.6 MILLION FOR FISCAL YEAR 2012 AND \$19.8 FOR FISCAL YEAR 2013 TO THE STATE GENERAL FUND.

SENATOR CEGAVSKE SECONDED THE MOTION.

Senator Horsford asked for clarification of [Exhibit E](#).

Ms. Davis responded that the first page depicted the supplemental claims for indigent care in FY 2010. The claims had been submitted by those hospitals, but because of fund sweeps, those claims had not been paid. The supplemental fund was for catastrophic medical claims for indigents that the hospitals could not support. The second page of [Exhibit E](#) showed funds for indigents involved in automobile accidents. Hospitals submitted claims in FY 2010 of approximately \$12.9 million, and because of the sweeps, only \$1.4 million was paid on those claims.

Senator Horsford stated that the motion would continue to redirect the indigent care proceeds in the amounts listed, which would not only affect those payments, but any future payments that would be due hospitals for the care of the indigents. He felt that the private sector had made a compelling case that redirection of those funds drove up the cost of health care for everyone. The more that care was not covered for the uncompensated and the indigent, the more it affected public and private hospitals, rural hospitals, and insurance plans, both public and private. Senator Horsford argued that redirecting \$19.6 million in FY 2012 and \$19.8 million in FY 2013 to balance the budget would actually create a bigger hole and the financial effect on the back-end would be paid anyway. Consumers would pay in Medicaid costs and in state health insurance costs. He did not believe the redirection was a viable solution and would not support the motion at the present time.

Senator Cegavske suggested that the indigent account funds be added to the priority list, or suggested putting off the closing of the budget until after the Economic Forum to ascertain whether any additional funding might become available.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, remarked that Fiscal Analysis Division staff would not advise the Subcommittee to close a budget that was not ready to close. The decisions

would not get any easier in the following weeks. Fiscal Analysis Division staff could put the budget on another closing list if the Subcommittee chose not to close it at the present time.

Assemblywoman Carlton said one of the reasons the Subcommittee kept working forward was about fixing some of the damage that had been done over the special sessions. The Subcommittee had made the difficult decision to sweep those monies in a crisis situation, but had always worked on the premise that it was a short-term solution. Now the Legislature was in full session where they could debate all of those issues and look at the totality of the budget, so she could not support sweeping those funds and the effect that would have on the individual counties and hospitals.

Assemblywoman Carlton noted there was over \$96 million for Clark County alone. She spoke of North Vista Hospital and University Medical Center (UMC) of Southern Nevada that were hospitals that she had worked very closely with. Those hospitals provided a lot of service to the underserved and the uninsured. Assemblywoman Carlton could not support continuing the harm of sweeping the funding rather than attempting to find permanent solutions. Now was the time to stop confiscating those funds and to pay for the things that the Legislature needed to be responsible for.

Senator Leslie agreed with the two previous speakers. She thought the Subcommittee should hold the item, not put it on the add-back list, but hold it.

Chair Mastroluca asked whether the maker of the motion would be willing to reconsider the motion. He was not. The Subcommittee was considering the following action:

ASSEMBLYMAN HARDY MOVED APPROVAL OF THE GOVERNOR'S RECOMMENDATION TO REDIRECT TAX PROCEEDS OF APPROXIMATELY \$19.6 MILLION FOR FISCAL YEAR 2012 AND \$19.8 MILLION FOR FISCAL YEAR 2013 TO THE STATE GENERAL FUND.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION FAILED. (Assemblymen Goicoechea and Hardy voted yes on the motion and all other members voted no.)

THE ITEM WOULD BE HELD FOR CLOSING AT A LATER DATE.

* * * * *

Mr. Combs suggested continuing with the other two items and then deciding whether to leave the budget open entirely or to close the other two major issues.

Chair Mastroluca preferred to move forward.

Ms. Davis continued her presentation with the transfer of the HIFA (Health Insurance Flexibility and Accountability) Waiver program. The Executive Budget inadvertently excluded the transfer amount of \$96,246. To continue the HIFA program through November 30, 2011, the Budget Division provided Budget Amendment 243, to keep that program whole through a portion of fiscal year (FY) 2012. Fiscal Analysis Division staff recommended approval of Budget Amendment 243.

SENATOR LESLIE MOVED TO APPROVE
BUDGET AMENDMENT 243 AND TRANSFER THE FUNDS TO THE
HIFA HOLDING ACCOUNT.

SENATOR CEGAVSKE SECONDED THE MOTION

THE MOTION CARRIED UNANIMOUSLY.

* * * * *

Ms. Davis stated that the third item was the continuation of the Nevada Association of Counties (NACO) contract. The Governor recommended \$60,000 in each year of the upcoming biennium to allow NACO to continue to administer indigent health claims. The Department indicated that it was important to have NACO continue the service because sometimes excess funds become available even after a sweep, which would allow for some claims to be paid. According to NACO, there was also an interest in compiling data regarding the claims for uncompensated care for the medically indigent. There was currently a contract in place that was in effect through fiscal 2013. Fiscal Analysis Division staff noted that the \$60,000, though approved by the Interim Finance Committee, was slightly more than NACO indicated as its actual cost. Assembly Bill 36 would require NACO to provide administrative services and be paid from the Fund for Hospital Care to Indigent Persons.

Ms. Davis asked whether the Subcommittee wished to continue the funding of \$60,000 in each year for the NACO contract.

SENATOR CEGAVSKE MOVED TO APPROVE THE CONTINUED FUNDING OF THE \$60,000 IN EACH YEAR OF THE 2011-2013 BIENNIUM FOR THE CONTRACT WITH NACO TO ADMINISTER THE INDIGENT MEDICAL CLAIMS, AND ALLOW FISCAL ANALYSIS DIVISION STAFF TO MAKE ANY AUTHORIZED ADJUSTMENTS THAT WERE NECESSARY.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION

THE MOTION CARRIED UNANIMOUSLY.

HEALTH AND HUMAN SERVICES—DIRECTOR'S OFFICE
HHS-DO – HEALTHY NEVADA FUND (262-3261)
BUDGET PAGE DHHS DIRECTOR-41

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, spoke about the redirection of tobacco settlement funds and the elimination of the Trust Fund for Public Health. The budget account had \$3.8 million in the second year of the biennium for the Trust Fund for Public Health, which the Governor recommended redirecting to the Autism and Traumatic Brain Injury (TBI) program that was administered through the Aging and Disability Services Division, and to the Family Preservation program administered by the Division of Mental Health and Developmental Services. Under the Governor's proposal, that \$3.8 million would be combined with \$2.6 million from another budget account to support the Silver State Works program. Senate Bill 421, which was referred to the Senate Committee on Finance, would eliminate the Trust Fund for Public Health permanently. The decision was whether to redirect the Trust Fund for Public Health funds to the Autism and TBI programs. The decision regarding Silver State Works would be taken up when the Subcommittee heard the division of Welfare and Supportive Services' budget. The item regarding the elimination of the Trust Fund for Public Health could be discussed when Senate Bill 421 came before the money committees.

Ms. Davis said the current question was whether the Subcommittee wished to approve the Governor's recommendation to redirect the \$3.8 million in tobacco settlement funds designated for the Trust Fund for Public Health to offset General Fund need for other Department of Health and Human Services programs in fiscal year 2013.

Senator Horsford reiterated that while he would support the motion to approve the recommendation to eliminate the Trust Fund for Public Health, that money should be part of available funding, and the Subcommittee should set the priorities for that funding. He wanted it to be clearly understood that there would be no other earmarking of those funds.

Chair Mastroluca made it very clear for the record that approval of the item did not in any way support or deny funding for the Silver State Works program or any other program.

SENATOR HORSFORD MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO REDIRECT \$3.8 MILLION IN TOBACCO SETTLEMENT FUNDS DESIGNATED FOR THE TRUST FUND FOR PUBLIC HEALTH AND TO MAKE THOSE FUNDS AVAILABLE AS PART OF THE GENERAL FUND PRIORITIZATION PROCESS, AND ALLOW FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

Assemblyman Goicoechea's understanding was that the Subcommittee would be taking \$3.8 million out of the tobacco settlement fund and moving that funding. And those funds would not be dedicated to the Department of Health and Human Services.

Senator Horsford responded that he had no problem with the funds being available for the Department of Health and Human Services, but that would be based on the list of prioritizations that the Subcommittee would determine. He did not want any predeterminations of what those programs would be because the Subcommittee had not yet reviewed the list of priorities.

Ms. Davis clarified for the record that the current proposal was to use the \$3.8 million in tobacco settlement funds specifically for the Autism and TBI programs and the Family Preservation program. The funding that was freed up from the General Fund, and was typically used for those programs, would be used for the proposed Silver State Works program.

Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the tobacco money would replace General Fund in those programs and the General Fund savings would then be used to fund the Silver State Works program. He asked the Subcommittee for direction on whether or not it wanted to achieve the General Fund savings by replacing those General Funds with tobacco funds and then not committing those General Funds to other programs.

Senator Horsford reiterated that they were supporting the funding for the Autism program, the TBI program, and the Family Preservation program. Any other funds made available to the General Fund would be prioritized accordingly by the Subcommittee.

Assemblyman Goicoechea believed that the administration had submitted Senate Bill 421 and the General Fund that had been freed up was somewhat committed pending legislation.

Mr. Combs explained that the funds were not included in the legislation. Currently in The Executive Budget, the funds were used to support the Silver State Works program. Mr. Combs stated that he was not familiar with Senate Bill 421, but believed it was the administration's bill to allow the funding that was currently allocated to the Public Health Trust Fund to be used for other purposes. That would allow the Subcommittee to use the tobacco money for the programs in Aging Services as well as the program in Mental Health and Developmental Services. He did not think the bill itself addressed the Silver State Works program.

In response to a question by Assemblyman Goicoechea, Mr. Combs said that the funding was in the Governor's recommended budget, but the motion would not earmark it for any particular purpose.

Assemblyman Goicoechea responded that it appeared that with the motion a shortfall would be created in The Executive Budget.

Ms. Davis said that her understanding of the motion was that it would not create a shortfall in The Executive Budget because the motion did not designate where the \$3.8 million in freed up General Funds would be spent.

Mr. Combs said his understanding was that the motion did not commit the Subcommittee to support the use of those funds for Silver State Works when that topic was considered by the Subcommittee at a later date.

The Subcommittee was considering the following action:

SENATOR HORSFORD MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO REDIRECT \$3.8 MILLION IN TOBACCO SETTLEMENT FUNDS DESIGNATED FOR THE TRUST FUND FOR PUBLIC HEALTH, AND TO MAKE THE GENERAL FUNDS THAT BECOME AVAILABLE PART OF THE GENERAL FUND PRIORITIZATION PROCESS WITH AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES—DIRECTOR'S OFFICE
HHS-DO-PUBLIC DEFENDER (101-1499)
BUDGET PAGE DHHS DIRECTOR 43

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, discussed the budget of the Public Defender. Ms. Davis said that the budget supported services in Carson City, Eureka, Lincoln, Storey, and White Pine Counties. However, pursuant to statute, the counties had until March 1 of every odd-numbered year to notify the Office of the State Public Defender whether they would remain with the group services or whether they would opt-out and provide services to their county independently. Lincoln County had notified the State Public Defender that they would be opting-out. The agency had provided a revised budget that considered the opting-out provision. It had been determined that the Public Defender's Office would eliminate an attorney position from its Ely office, which had become vacant February 5, 2011. The position costs were \$113,593 in fiscal year (FY) 2012 and \$115,135 in FY 2013. Those adjustments had been included in the closing document, which resulted in a General Fund savings of \$2,103 in FY 2012, \$2,010 in FY 2013, and a reduction in the county fees based on the remaining four counties.

Fiscal Analysis Division staff would recommend approval of the adjusted budget based on Lincoln County's opting-out.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE APPROVE THE ADJUSTED BUDGET BASED ON LINCOLN COUNTY'S OPTING-OUT OF THE SERVICES OF THE PUBLIC DEFENDER'S OFFICE.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. Davis continued with the next item which was an increase in training and travel. The Governor recommended \$10,694 in each year of the biennium. That would allow staff attorneys and investigators to attend out-of-state conferences. That was in compliance with standards that had been set for capital cases and indigent defense cases by the American Bar Association and the Supreme Court.

Ms. Davis asked whether the Subcommittee wished to approve the out-of-state training and in-state travel.

Senator Leslie believed there was an obligation to ensure that attorneys with the Public Defender's Office were adequately trained.

SENATOR LESLIE MOVED THAT THE SUBCOMMITTEE APPROVE TRAINING AND IN-STATE TRAVEL FOR THE PUBLIC DEFENDER'S OFFICE.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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Ms. Davis said that the last item was the replacement equipment in decision unit Enhancement (E) 710 for \$9,827 in fiscal year (FY) 2013 to replace four desktop computers and three laptops, which was within the guidelines set by the Department of Information Technology.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE APPROVE THE REQUEST FOR INFORMATION TECHNOLOGY REPLACEMENT EQUIPMENT, AND AUTHORITY FOR FISCAL ANALYSIS DIVISION STAFF TO MAKE TECHNICAL ADJUSTMENTS.

SENATOR LESLIE SECONDED THE MOTION

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES—DIRECTOR'S OFFICE
HHS-DO – INDIAN AFFAIRS COMMISSION (101-2600)
BUDGET PAGE DHHS DIRECTOR-50

Joi Davis, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said that the last budget for review was the Indian Affairs Commission. Decision unit Enhancement (E) 606 was a budget reduction regarding staffing, travel, and operations. The total of those General Fund reductions was recommended at \$40,309 in fiscal year (FY) 2012 and \$42,442 in FY 2013.

- The first recommendation was to reduce the two full-time equivalent (FTE) positions to 0.84 FTE each.
- The second item was an elimination of Commission pay. The statute indicated that Commissioners were allowed \$80 per day for each day spent on Commission business. The agency indicated that Commissioners were committed to fulfilling their duties and had agreed to forfeit Commission pay and travel.
- The third item eliminated all in-state travel for staff and the Commission. The Commission had agreed to forfeit travel, but that recommendation would eliminate travel for staff as well.
- The fourth item reduced operating expenditures by \$4,010 over the biennium.

Ms. Davis stated that the decision for the Subcommittee was whether to approve the Governor's recommendation to eliminate and reduce funding for staffing levels, travel, Commission pay, and operating expenses.

Senator Horsford expressed concern with the proposal by the Governor. He did not understand why the Nevada Indian Commission had been singled out to reduce funding for its meetings, travel, and operations. There were over 100 boards and commissions, and he wondered why this one had been singled out for lack of support for basic operational functions. The Commission had a mandated purpose to serve as the liaison between the state and 27 separate tribes, bands, and community counsels. For many of those groups, the Commission was the only connection to state government in any formal way and it was not fair to not have their issues and concerns addressed. Senator Horsford thought it was probably to hit a target number, but it was not very equitable.

Michael Willden, Director, Department of Health and Human Services (DHHS), responded that each division or office within the Director's Office had received a budget target. In discussion with the Commission and the Executive Director, travel and commission pay did not appear to be a significant concern. It was a budgetary calculation to meet a target.

Senator Horsford asked whether Casey Foundation programs provided support to the Nevada Indian Commission. He thought the Casey Foundation provided a grant to the Commission to do work or capacity building.

Mr. Willden believed that some Casey Foundation money had been available in the current year, but he did not think that funding would be available going forward.

Mike Torvinen, Deputy Director, Fiscal Services, DHHS, said the Casey Foundation grant had been about \$14,000 or \$15,000 for the current year. The Casey Foundation grants had not yet been allocated for the next biennium, so a decision had not yet been made.

Senator Horsford believed the budget should remain open. Private foundations had provided \$15,000 per year. He wondered why private foundations should support the Commission if the state could not provide basic support. He understood the budget concerns and the goal that needed to be achieved, but with all the other boards and commissions in the state, it appeared unfair to single out the Indian Affairs Commission.

Senator Leslie wanted to add to the record that she was concerned about reducing the full-time position to the budget target of an 0.84 position. She believed the state had an obligation to retain one full-time position, especially if there was an opportunity to manage private funding and perhaps gain other grant funding. Senator Leslie voiced concern about the staffing level.

Senator Horsford stated his concern was that the state could lose private funding to support a very important partner in the Native American tribal community, and he offered the following motion:

SENATOR HORSFORD MOVED TO NOT TAKE ACTION ON
BUDGET ACCOUNT 2600, INDIAN AFFAIRS COMMISSION, UNTIL
THE SUBCOMMITTEE KNEW WHETHER THE CASEY FOUNDATION
WOULD PROVIDE ADDITIONAL FUNDING.

SENATOR LESLIE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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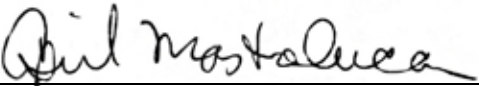
Assembly Committee on Ways and Means
Senate Committee on Finance
Joint Subcommittee on Human Services/CIP
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With no further business to come before the Subcommittee, Chair Mastroluca adjourned the meeting at 11:22 a.m.

RESPECTFULLY SUBMITTED:

Tenna Herman
Committee Secretary

APPROVED BY:



Assemblywoman April Mastroluca, Chair

DATE: _____

Senator Sheila Leslie, Chair

DATE: _____

EXHIBITS

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

Date: April 5, 2011

Time of Meeting: 8:22 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Dianne Farkas, Family to Family Connection, Las Vegas, NV	Public Comment
	D	Michael Willden, Director, DHHS	Fiscal Year 2012 Allocations for Family Resource Centers and Differential Response Program
	E	Michael Willden, Director, DHHS	Indigent Care Hospital Claims