

MINUTES OF THE FEBRUARY 3, 2009
MEETING OF THE
INTERIM FINANCE COMMITTEE
LEGISLATIVE COUNSEL BUREAU
Carson City, Nevada

Chairman Morse Arberry Jr. called a regular meeting of the Interim Finance Committee (IFC) to order on February 3, 2009, at 8:05 a.m. in Room 4100 of the Legislative Building. [Exhibit A](#) is the agenda. [Exhibit B](#) is the guest list. All exhibits are available and on file at the Fiscal Analysis Division of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Bernice Mathews, Cochair
Senator Steven Horsford, Cochair
Assemblyman Morse Arberry Jr., Vice Chair
Assemblywoman Barbara E. Buckley
Assemblyman Marcus Conklin
Assemblyman Moises (Mo) Denis
Assemblywoman Heidi S. Gansert
Assemblyman Pete Goicoechea
Assemblyman Tom Grady
Assemblyman Joseph P. (Joe) Hardy
Assemblyman Joseph Hogan
Assemblywoman Ellen Koivisto
Assemblywoman Sheila Leslie
Assemblywoman Kathy McClain
Assemblyman John Ocegüera
Assemblywoman Debbie Smith
Senator Bob Coffin
Senator Warren Hardy
Senator William J. Raggio
Senator Dean Rhoads
Senator Joyce Woodhouse

LEGISLATIVE COUNSEL BUREAU STAFF:

Lorne Malkiewich, Director, Legislative Counsel Bureau
Brenda J. Erdoes, Legislative Counsel
Eileen O'Grady, Chief Deputy Legislative Counsel
Mark W. Stevens, Fiscal Analyst, Assembly
Gary L. Ghiggeri, Fiscal Analyst, Senate
Steve Abba, Principal Deputy Fiscal Analyst
Brian Burke, Principal Deputy Fiscal Analyst
Tracy Raxter, Principal Deputy Fiscal Analyst
Connie Davis, Interim Finance Committee Secretary

Carol Thomsen, Assembly Committee on Ways and Means' Secretary

A. ROLL CALL

Lorne Malkiewich, Director, Legislative Counsel Bureau and Secretary of the Interim Finance Committee, called the roll and announced a quorum of each House was present.

*B. APPROVAL OF MINUTES FROM THE NOVEMBER 20, 2008, MEETING

ASSEMBLYMAN ARBERRY MOVED APPROVAL OF THE NOVEMBER 20, 2008 MEETING MINUTES.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.)

C. WORK PROGRAM REVISIONS IN ACCORDANCE WITH NRS 353.220 (5) (b). INFORMATIONAL ONLY – REQUIRED EXPEDITIOUS ACTION WITHIN 15 DAYS.

1. **Department of Employment, Training and Rehabilitation – Employment Security Division – FY 09** – Addition of \$2,837,343 in Federal Administrative Cost Allowance funds to implement Phase II of the agency's Layoff Contingency Plan, which addresses the substantial increase in unemployment experienced by Nevadans. Requires Interim Finance approval since the amount added to the Operating category exceeds \$50,000. **Work Program #C14506**

Work Program #C14506 required expeditious action within 15 days. The work program did not require action by the members of the Committee and was provided for informational purposes only.

*D. APPROVAL OF GIFTS, GRANTS, WORK PROGRAM REVISIONS, ALLOCATION OF BLOCK GRANT FUNDS AND POSITION CHANGES IN ACCORDANCE WITH CHAPTER 353, *NEVADA REVISED STATUTES*.

Cochair Mathews announced that the Committee would consider the following work programs:

Items 4, 15, 17, 19, 42, 45, 57, 60, 61, 63, 65, 66, 67, 68, 69, 72, 82, 83, 88, 89, 92, 94, 105, 106

Items 27, 54, 55, and 56 required a public hearing.

Items 41, 70, 73, and 74 were withdrawn.

ASSEMBLYMAN ARBERRY MOVED APPROVAL OF ALL WORK PROGRAMS AND POSITION CHANGES OTHER THAN THOSE ENUMERATED BY COCHAIR MATHEWS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.)

1. **Governor's Office – State Energy Office – FY 09** – Addition of \$46,749 in Department of Energy Save Energy Now funds and deletion of \$54,768 in Rebuild America Grant funds, \$26,559 in Geothermal Federal Grant funds, \$18,951 in Cooperative Agreement funds, and \$94,149 in Petroleum Overcharge Rebate funds to realign the state and federal energy grant authority to reflect the current revenue and expenditure authority available, for contracted budgetary assistance and the transfer of fiscal assistance to the Department of Administration, Administrative Services, for improved internal controls. Requires Interim Finance approval since the amount deducted from the Rebuild America category exceeds \$50,000. **Work Program #C14192**

Refer to motion for approval under Item D.

2. **Attorney General's Office – Special Fund – FY 09** – Transfer of \$88,550 from the Nuclear Waste Litigation category to the Legal, Investment, Court Cost category to support the projected general litigation expenditures for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred from the Nuclear Waste Litigation category exceeds \$50,000. **Work Program #C114555**

Refer to motion for approval under Item D.

3. **Attorney General's Office – Violence Against Women Grants – FY 09** – Addition of \$1,292,694 in Federal STOP Grant funds to support agencies or programs addressing domestic violence. Deletion of \$219,595 in Grants to Encourage Arrest Policies (GEAP) to encourage agencies and programs to revise the protocols addressing domestic violence response, as the anticipated grant was not received. Deletion of \$8,914 in Transfer from Medicaid Fraud and \$8,914 in Transfer from Victims of Domestic Violence due to changes in personnel duties. Requires Interim Finance approval since the amount deleted from the Arrest Policies category exceeds \$50,000. **Work Program #C14353**

Refer to motion for approval under Item D.

4. **Secretary of State – HAVA Election Reform – FY 09** – Addition of \$798,107 in Title II Help America Vote Act (HAVA) grant funds and \$42,006 in Transfer from

Secretary of State funds to establish and maintain minimum federal election administration standards. Requires Interim Finance approval since the amount added to the Title II HAVA SFY 2008 category exceeds \$50,000. **Work Program #C12687**

Nicole Lamboley, Chief Deputy Secretary of State, Office of the Secretary of State (SOS), identified herself for the record and introduced Matthew Griffin, Deputy Secretary of State, Elections, SOS, and Carolyn Misumi, Administrative Services Officer (ASO), SOS.

Carolyn Misumi, ASO, SOS, requested approval of the work program before the Committee, which would establish authority to receive \$798,107 in Title II Help America Vote Act (HAVA) grant funds. Ms. Misumi advised that the grant required a 5 percent state match of \$42,006 to be funded from Special Services' revenue transfers (generated from fees for expedited services).

Ms. Misumi said the agency initially submitted the request to fund the 5 percent state match with an allocation from the Contingency Fund. However, Legislative Counsel Bureau's Fiscal Analysis Division analysts advised agency staff that because the HAVA account did not contain an appropriation from the General Fund in the current year, the account was ineligible to receive an allocation from the Contingency Fund. The Fiscal Analysts recommended that the match be provided with funding from Special Services revenue that should, in turn, be replenished with an allocation from the Contingency Fund. Ms. Misumi explained, however, that the original request for an allocation from the Contingency Fund had been converted to a supplemental appropriation request.

Assemblyman Arberry questioned whether the agency would develop performance indicators to measure the anticipated outcomes associated with the expenditure of the HAVA allocation.

Ms. Lamboley advised that in 2002, the Help America Vote Act (HAVA) was signed into law, and \$21 million was provided to Nevada to upgrade election procedures. Ms. Lamboley explained that the grant funds in the work program before the Committee was the only funding that had been received to support the costs related to the voting machines since the initial \$21 million appropriation. Ms. Lamboley advised that performance indicators were included in the agency's budget request and would be discussed in the coming weeks.

Assemblyman Hardy asked for information on the correlation between the \$798,107 appropriation, the \$42,006 state match, and the \$942,006 supplemental appropriation request.

Ms. Lamboley explained that a request for a supplemental appropriation to replace the Special Services' revenue that would be used for the \$42,006 state match as well as other agency budget requirements were included in The Executive Budget.

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, pointed out that in addition to the 5 percent state match required by the HAVA grant, the fees the agency received for expedited services had been diminishing, which, required additional support from the General Fund. Mr. Stevens said that as previously indicated, the agency initially requested an allocation from the Contingency Fund when it was believed that the Interim Finance Committee meeting would be scheduled in January before the start of the 2009 Legislative Session. Mr. Stevens explained that allocations from the Contingency Fund were not permitted during a legislative session, and, thus the \$42,006 or 5 percent match of the federal HAVA funds was added to a supplemental appropriation request related to the projected shortfall in Special Services' revenue.

Senator Raggio asked for information relative to voting machines that were compliant with the Americans with Disabilities Act (ADA).

Matthew Griffin, Deputy Secretary of State, Elections, SOS, advised that several variations of voting machines were considered ADA compliant and further indicated that agency staff worked with the Nevada Disability Advocacy and Law Center (NDALC) contracted through the Department of Justice (DOJ) to meet ADA requirements for voting machines. Mr. Griffin discussed the availability of audio-visual voting machines for those with visual or hearing impairments as well as trained poll workers to assist individuals with more severe disabilities using either the direct-recording electronic (DRE) machine or the audio-visual machine. Mr. Griffin advised that machines and trained poll workers were available statewide to assist disabled voters.

ASSEMBLYMAN ARBERRY MOVED APPROVAL OF
ITEM 4.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was
not present for the vote.)

5. **Secretary of State – HAVA Election Reform – FY 09** – Transfer of \$159,000 from the Statewide Voter Registration category to the Administration of Elections category and \$759,500 from the Statewide Voter Registration category to the Reserve Title I category to fund a new contract for electronic voting systems equipment and to properly align grant authority. Requires Interim Finance approval since the amount transferred to the Administration of Elections category exceeds \$20,000. **Work Program #C14280**

Refer to motion for approval under Item D.

6. **Department of Administration – Risk Management Division – Insurance & Loss Prevention – FY 09** – Addition of \$16,920 in Miscellaneous Insurance Premiums to cover the cost of bond premiums. The Treasurer's office has

requested a Loss Instrument Blanket Bond to support its Unclaimed Property program. Requires Interim Finance approval since the cumulative amount deducted from the Insurance Premiums category exceeds \$50,000. **Work Program #C14214**

Refer to motion for approval under Item D.

7. **Department of Administration – Purchasing Division – FY 09** – Transfer of \$115,547 from the Personnel Services category to the Reserve category, \$2,425 from the Out-of-State Travel category to the Reserve category, \$1,147 from the In-State Travel category to the Reserve category, \$1,300 from the Equipment category to the Reserve category, \$3,562 from the Information Services category to the Reserve category, and \$4,000 from the Training category to the Reserve category to record budget reserve recommendations. Requires Interim Finance approval since the amount transferred from the Personnel Services category exceeds \$50,000. **Work Program #C114571**

Refer to motion for approval under Item D.

8. **Department of Administration – Purchasing Division – Commodity Food Program – FY 09** – Addition of \$250,401 in Direct Sales funds to allow Clark County School District to increase purchases of fresh fruits and vegetables through the USDA and the Department of Defense's procurement process. Requires Interim Finance approval since the amount added to Commercial Products category exceeds \$50,000. **Work Program #C14411**

Refer to motion for approval under Item D.

9. **Department of Administration – Purchasing Division – Commodity Food Program – FY 09** – Addition of \$44,925 in Federal Food Distribution Program on Indian Reservations Nutrition Education Grant funds to promote physical activity and assist participants to adopt healthy eating habits. Requires Interim Finance approval since the amount added to PRIDE (Personal Responsibility Incorporating Diet and Exercise) Program category exceeds \$50,000. **Work Program #C114531**

Refer to motion for approval under Item D.

10. **Department of Administration – Buildings and Grounds Division – FY 09** – Transfer of \$125,000 from the Capitol Police category to the Reserve category for savings realized by the Capitol Police. Requires Interim Finance approval since the amount transferred from the Capitol Police category exceeds \$50,000. **Work Program #C114547. RELATES TO ITEM 121.**

Refer to motion for approval under Item D.

11. **Department of Administration – Buildings and Grounds Division – FY 09 –** Transfer of \$312,521 from the Reserve category to the General Fund Payback category to repay the General Fund advance in full for several construction projects. Requires Interim Finance approval since the amount transferred to the General Fund Payback category exceeds \$50,000. **Work Program #C114548**

Refer to motion for approval under Item D.

12. **Department of Administration – Buildings and Grounds Division – Mail Services – FY 09 –** Transfer of \$168,980 from the Reserve category to the General Fund Payback category to expire the General Fund Payback pursuant to A.B. 738, Chapter 619 of the 1995 Legislative Session. Requires Interim Finance approval since the amount transferred to the General Fund Payback category exceeds \$50,000. **Work Program #C14291**

Refer to motion for approval under Item D.

13. **Department of Taxation – FY 09 –** Transfer of \$13,056 from the SB8/UTS (Unified Tax System) Project category to the Operating category and \$41,693 from the SB8/UTS Project category to the Information Services category to account for ongoing operational costs of the UTS. Requires Interim Finance approval since the amount transferred from the SB8/UTS category exceeds \$50,000. **Work Program #C15859**

Refer to motion for approval under Item D.

14. **Department of Information Technology – Facility Management Division – Computing Division – FY 09 –** Addition of \$45,000 in Federal Health Resources and Services Administration Grant funds transferred from the Department of Health and Human Services, Health Division, to acquire equipment needed to back up client information that is interfaced to integrated client data from the State of Nevada Pharmacy Benefit Manager, Health Insurance Continuation Program, and State Pharmacy Assistance Program. Requires Interim Finance approval since the cumulative amount added to the Information Services category exceeds \$50,000. **Work Program #C114581**

Refer to motion for approval under Item D.

15. **Department of Information Technology – Telecommunications Division – FY 09 –** Transfer of \$20,000 from the Personnel Services category to the Telephone Watts and Tolls category and \$16,753 from the Training category to the Telephone Watts and Tolls category to upgrade the Call Management System. Requires Interim Finance approval since the cumulative amount transferred to the Telephone Watts and Tolls category exceeds \$50,000. **Work Program #C14221**

Kenneth Adams, Deputy Chief, Department of Information Technology (DoIT), identified himself as the supervisor of the Communications Group, which included the Telecommunications, Microwave, and Wide Area Network Units.

Mr. Adams requested Committee approval of the work program that would reallocate expenditure authority to purchase a server and software to upgrade the State's Call Management System (CMS). Mr. Adams explained that the device was used by multiple state agencies that served the public to track, for example, the number of people waiting in call queues, the length of an average call, and whether sufficient staff existed to support the call load.

Mr. Adams expressed concern that if the server was not replaced prior to the end of its 12-year manufacturer's support period on July 31, 2009, the system could fail and the user agencies would lose the accumulated data.

In response to questions Assemblyman Denis asked regarding the database server, Mr. Adams explained that the server and the software maintained call management statistics based on incoming calls to state agencies whose staff logged into the system to track real-time statistics of numbers of calls and problems that occurred during calls.

Assemblyman Denis also questioned whether the data on the server was being backed up.

Mr. Adams confirmed that the data was backed up but again expressed concern that on July 31, 2009, the multi-platform server would no longer be supported by the manufacturer.

Assemblyman Denis questioned whether the manufacturer's support could be extended beyond July 31, 2009, and in response, Mr. Adams reaffirmed that support would end on July 31, 2009.

Mr. Denis questioned whether there were budgetary advantages to completing the requested replacement during the current fiscal year rather than allowing consideration of the replacement during the legislative session.

Mr. Adams indicated that although the current server could function until the July 31, 2009, end of the of the manufacturer's support period, the request to fund the purchase of the hardware and software was not included in The Executive Budget in an effort to meet budgetary goals. Mr. Adams again expressed concern that if the work program was not approved and the server should fail, DoIT staff would not have the ability to support the many agencies that used the direct line to track calls and provide statistics for performance of their operations.

In response to a question from Mr. Denis, Mr. Adams confirmed that if the Call Management System were to fail, the ability to access information to better serve customers would be halted.

ASSEMBLYMAN DENIS MOVED APPROVAL OF WORK PROGRAM ITEM 15.

ASSEMBLYMAN ARBERRY SECONDED THE MOTION.

Cochair Horsford asked for additional information on why the request for the upgrade could not be evaluated through the budget process.

John McCuin, Chief Accountant, DoIT, reiterated that the manufacturer's support for the hardware would end on July 31, 2009.

Cochair Horsford pointed out that the Legislature would be in session until June 2009.

Mr. Adams explained that if he had the ability to place the request in The Executive Budget he would do so, but indicated that the work program was submitted to the Committee in order to receive consideration since it was not included in The Executive Budget.

Cochair Horsford indicated that the request could be reviewed during the budget process, which made it difficult to support during the Committee meeting.

Mr. Adams indicated that he was "at a loss" to understand where in the budget process the request could be submitted since it was not included in The Executive Budget.

Assemblyman Denis asked for information on the length of time it would take to transfer the data from the current server to a replacement server.

Adams indicated that the export-import process would take approximately three-to-four weeks.

Assemblyman Denis noted that approval of the request during the Legislative Session would provide the agency the time, prior to the end of July, to transfer the data and asked agency representatives to explain the benefit of approving the request "sooner rather than later."

Mr. Adams advised that approving the request during the Committee meeting would provide for a seamless transition to user agencies and would avoid the possibility of a loss of data if the system failed beyond the warranty date.

In response to a question from Assemblyman Denis regarding the manufacturer's support, Mr. Adams confirmed that the call management system would be supported by the manufacturer until July 31, 2009.

Assemblyman Goicoechea asked for an explanation of why the information provided to the Committee reflected that the agency had approximately \$37,000 available to

upgrade the call management system, and the request required IFC approval because the cumulative amount exceeded \$50,000.

Mr. McCuin explained that the agency had existing savings in the current year's Personnel Services and Training categories to purchase the equipment (the existing savings coupled with savings within the Telephone Watts and Tolls category exceeded \$50,000).

Assemblyman Denis indicated he believed approving the work program either now or later was critical but expressed his willingness to withdraw the motion to more thoroughly review the request.

Assemblyman Arberry withdrew the second to the motion.

Assemblywoman Koivisto asked for information on the length of time it would take for the purchase and delivery of the equipment.

Mr. Adams advised that upon approval of the request, the agency would place the order through the State Purchasing Division and upon delivery of the hardware and software, the agency would begin the transition process which could take 30 days. Mr. Adams advised that approximately two months would be required to acquire the equipment and software and transition into production.

Cochair Horsford expressed appreciation to Assemblyman Denis for his approach and concurred that the equipment was needed. Additionally, Cochair Horsford said that by working through the appropriate joint subcommittee for a more thorough review of the request, legislators would gain the ability to better understand the agencies use of the system, DoIT's support of the process, and whether the system could evaluate data that could be expanded beyond performance indicators.

COCHAIR HORSFORD MOVED TO POSTPONE APPROVAL OF WORK PROGRAM ITEM 15 IN ORDER FOR THE ISSUE TO BE CONSIDERED THROUGH THE SENATE COMMITTEE ON FINANCE AND ASSEMBLY COMMITTEE ON WAYS AND MEANS' JOINT SUBCOMMITTEE PROCESS.

ASSEMBLYMAN ARBERRY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- 16. Department of Education – Distributive School Account – FY 09 –** Transfer of \$934,520 from the Adult High School Diploma Programs category to the Reserve for Reversion category to reduce Adult Education funding by four percent to comply with the provisions of A.C.R. 2 of the 24th Special Session. This represents a portion of the budget reduction required by school districts.

Requires Interim Finance approval since the amount transferred from the Adult High School Diploma Programs category exceeds \$50,000. **Work Program #C14464**

Refer to motion for approval under Item D.

17. **Department of Education – Distributive School Account – FY 09** – Transfer of \$1,575,448 from the Professional Development Centers category to the Reserve for Reversion category to account for 11 percent budget reductions to the Regional Professional Development Programs to help offset the budget shortfall for 2009. Requires Interim Finance approval since the amount transferred from the Professional Development Centers category exceeds \$50,000. **Work Program #C114591**

Keith Rheault, Ph.D., Superintendent of Public Instruction, appeared before the Committee to request approval to transfer \$1,575,448 from the Regional Professional Development Centers category to the Reserve for Reversion category.

Dr. Rheault testified that prior to the 25th Special Session, the Department of Education administration was requested to develop 4 percent, 7 percent, and 11 percent budget reductions for all programs. Although a reduction of funding for the Regional Professional Development Centers did not occur during the 25th Special Session, the Department received a letter dated December 24, 2008, from the Director of the Department of Administration, requesting implementation, as soon as possible, of the 11 percent, fiscal year 2009 budget reduction for the Regional Professional Development Centers.

SENATOR RAGGIO MOVED APPROVAL TO TRANSFER \$1,575,448 FROM THE REGIONAL PROFESSIONAL DEVELOPMENT CENTERS' CATEGORY TO THE RESERVE FOR REVERSION CATEGORY.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote and Assemblyman Grady voted nay; however, later in the meeting Assemblyman Grady withdrew his nay vote.)

18. **Department of Education – Other State Education Programs – FY 09** – Addition of \$27,000 in Transfer from Legislative Fund funds to support the review team in revising the academic standards for social studies and educational technology. Requires Interim Finance approval since the amount added to the

Academic Standards Review category exceeds ten percent of the legislatively approved level for that category. **Work Program #C14211**

Refer to motion for approval under Item D.

- 19. Department of Education – Other State Education Programs – FY 09 –** Transfer of \$563,241 from the Local Education Agency Library Books category to the Reserve for Reversion category and \$1,360,000 from the School Support Teams category to the Reserve for Reversion category to meet the budget reserve requirements of A.C.R. 2 of the 24th Special Session. The School Support Team funds are available due to fewer schools being in need of improvement. Requires Interim Finance approval since the amount transferred from the School Support Teams category exceeds \$50,000. **Work Program #C14452**

Keith Rheault, Ph.D., Superintendent of Public Instruction, appeared before the Committee to request approval to transfer \$563,241 from the Local Education Agency (LEA) Library Books' category to the Reserve for Reversion category to meet budget reduction requirements. Dr. Rheault pointed out that only fiscal year 2009 funding would be reverted.

Additionally, Dr. Rheault requested approval to transfer \$1,360,000 from the School Support Teams' category to the Reserve for Reversion category to meet budget reduction requirements. Dr. Rheault advised that the School Support Teams' funding paid for school support team leaders across the state to work with schools that had not achieved adequate yearly progress for three or more years. Dr. Rheault pointed out, however, that School Support Team funds were available for reversion because fewer schools were in need of improvement during the past year.

In response to Senator Rhoads, who questioned whether the requests for transfers to the Reversion category affected the Rural After School Program, Dr. Rheault advised that he believed the Rural After School Program was funded through Remediation grant funding provided through the Commission on Educational Excellence.

In response to Senator Rhoads, who questioned whether the Rural After School Program was still in existence, Dr. Rheault indicated it depended on the school district since some of the school districts used Remediation Trust funding to meet their reversion requirements. Dr. Rheault indicated that he would look into how the Elko School District used funding from the Remediation Trust Fund.

In response to Assemblyman Denis, who commented on the schools' improvement in literacy, Dr. Rheault advised that the improvement would be discussed to a greater degree during the Joint Subcommittee on K-12 hearings. Dr. Rheault indicated that he looked forward to another good year after which the percentage of pupils that had to be proficient in each school would increase, which would be a fairly steep curve through 2014.

In response to Senator Rhoads' question regarding the Rural After School Program, Assemblywoman Smith pointed out that the federal government had provided funding for the Save the Children supplemental literacy programs for grades K-8 in rural Nevada schools.

Dr. Rheault advised that the Department of Education received a report concerning the federal Save the Children Program, and a copy of the report would be sent to the Committee's staff.

Assemblywoman Smith indicated that there was great interest in the Save the Children Program and that legislators had received many letters from parents regarding the program.

ASSEMBLYMAN DENIS MOVED APPROVAL OF THE ITEM 19 WORK PROGRAM TO TRANSFER FUNDS FROM THE LEA LIBRARY BOOKS AND SCHOOL SUPPORT TEAMS' CATEGORIES TO THE RESERVE FOR REVERSION CATEGORY.

ASSEMBLYWOMAN KOIVISTO SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.)

- 20. Department of Education – School Health Education - Aids – FY 09 –** Addition of \$272,272 in Federal Comprehensive School Health Grant funds to continue this program. Requires Interim Finance approval since the amount added to the Aid to Schools category exceeds \$50,000. **Work Program #C14518**

Refer to motion for approval under Item D.

- 21. Department of Education – Discretionary Grants – Unrestricted – FY 09 –** Addition of \$80,000 in Nevada State Data Coordination Task Order Grant funds; \$730 in Federal Learn and Serve Grant funds; and \$3,186,966 in Federal Longitudinal Data Systems Grant funds to continue existing programs and fund the task order for state education agencies to use EDFacts reporting system for submitting required data to the EDFacts. Requires Interim Finance approval since the amount added to the Longitudinal Data Systems category exceeds \$50,000. **Work Program #C14651**

Refer to motion for approval under Item D.

- 22. Department of Education – Discretionary Grants – Restricted – FY 09 –** Addition of \$4,365,762 in Federal 21st Century Learning Center Grant funds;

\$159,725 in Federal Refugee Children School Improvement Grant funds; \$147,827 in Federal Byrd Scholarship Grant funds; \$229,849 in Federal Homeless Children Grant funds and \$96,379 in Federal Partnerships in Character Education Grant funds to continue these programs. Deletion of \$147,757 in Federal English Language Acquisition Grant funds to reflect the actual grant program funds available for the current year. Deletion of \$2,471,819 in Federal Charter School Program Grant funds to remove this grant, as the current grant has expired and was not renewed. One Grants and Projects Analyst I position that was supported by this grant is also eliminated. Requires Interim Finance approval since the amount added to the 21st Century Learning Centers category exceeds \$50,000. **Work Program #C14652**

Refer to motion for approval under Item D.

- 23. Department of Education – Elementary & Secondary Education – Title I – FY 09** – Addition of \$23,725,585 in Federal Title I Basic Grant funds; \$230,643 in Federal Migrant Aid Grant funds; \$167,401 in Federal Neglected and Delinquent Grant funds; \$228,778 in Federal Accountability Grant funds; \$3,490,582 in State Improvement Grant funds; \$3,467,499 in Federal Reading First State Grant funds; \$236,673 in Federal Even Start Grant funds and \$15,000 in Cost Allocation Reimbursement funds to continue these programs. This work program also transfers one Federal Program Consultant position from the ESEA Title II, V and VI budget (2713) to this account to align the position duties and funding. Requires Interim Finance approval since the amount added to the CHAP Basic Aid to Schools category exceeds \$50,000. **Work Program #C14654. RELATES TO ITEM 24.**

Refer to motion for approval under Item D.

- 24. Department of Education – Elementary & Secondary Education Titles II, V, & VI – FY 09** – Addition of \$3,689,525 in Federal Improving Teacher Quality Grant funds; \$4,921,646 in State Assessment Grant funds; \$654,263 in Federal Math and Science Partnership Grant funds; \$1,303,614 in Federal Technology Grant funds and \$47,923 in Cost Allocation Reimbursement funds to continue these programs. Deletion of \$125,171 in Federal Title VI Grant funds to reflect the actual funds available this year, as the grant program has been eliminated. One Federal Program Consultant position is transferred to the ESEA Title I account (2712) to align the duties and funding for the position. Requires Interim Finance approval since the amount added to the State Assessments category exceeds \$50,000. **Work Program #C114603. RELATES TO ITEM 23.**

Refer to motion for approval under Item D.

- 25. Department of Education – Career and Technical Education – FY 09** – Addition of \$1,111,424 in Federal Carl Perkins Vocational Education Grant funds and deletion of \$134,885 in Federal Technical Prep Grant funds to reflect actual

grant funds available for these programs for the current year. Requires Interim Finance approval since the amount added to the Career and Technical Education Basic Aid to Schools category exceeds \$50,000. **Work Program #C14174**

Refer to motion for approval under Item D.

- 26. Department of Education – Continuing Education – FY 09** – Addition of \$282,407 in Federal Adult Basic Education Grant funds; transfer of \$913 from the Operating category to the Adult Literacy – Aid to Schools category and \$3,772 from the Reserve for Reversion category to the Adult Literacy – Aid to Schools category to continue these programs and meet the maintenance of effort requirement to receive the grant funds. Requires Interim Finance approval since the amount added to the Adult Basic Education – Aid to Schools category exceeds \$50,000. **Work Program #C14644**

Refer to motion for approval under Item D.

- 27. Department of Education – Nutrition Education Programs – FY 09** – Addition of \$29,614 in Federal Commodity Cash Grant funds; \$1,415,076 in Federal School Breakfast Program Grant funds; \$971,118 in Federal Child and Adult Care Program Grant funds; \$486,485 in Federal School Lunch Program – Fresh Fruits and Vegetables Grant funds; \$2,025,254 in Federal School Lunch Program Grant funds; \$404,180 in Federal Summer Food Service Program Grant funds and \$24,182 in Federal Child and Adult Care Audit Grant funds to continue these programs. **Requires Interim Finance approval since the amount involves allocation of block grant funds and this action requires a public hearing. Work Program #C14560**

Keith Rheault, Ph.D., Superintendent of Public Instruction, appeared before the Committee to request approval to increase revenue and expenditure categories for the addition of United States Department of Agriculture (USDA) grant funds including a new Fresh Fruits & Vegetable grant for school lunch programs. Dr. Rheault advised the Committee that the funding involved the allocation of block grant funds and required a public hearing.

There were no questions from the members of the Committee

Cochair Mathews opened the hearing to comments from members of the public.

Hearing no response to her request, Cochair Mathews closed the hearing to public comment.

ASSEMBLYWOMAN KOIVISTO MOVED APPROVAL OF
ITEM 27.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.)

- 28. Department of Education – Individuals with Disabilities Act (IDEA) – FY 09 –** Addition of \$18,373,544 in Federal Special Education Grant funds; \$330,447 in Federal Special Education Early Childhood Grant funds; and \$399,977 in Federal Program Improvement Grant funds to continue funding for these programs. Requires Interim Finance approval since the amount added to the Special Education Aid to Schools category exceeds \$50,000. **Work Program #C114595**

Refer to motion for approval under Item D.

- 29. Nevada System of Higher Education (NSHE) – School of Medical Sciences – FY 09 –** Addition of \$33,630 in Registration Fees, \$21,150 in Miscellaneous Student Fees and \$40,731 in Non-Resident Tuition to partially offset General Fund budget reductions. Requires Interim Finance approval since the amount added to the Operating category exceeds \$50,000. **Work Program #C114517**

Refer to motion for approval under Item D.

- 30. Nevada System of Higher Education (NSHE) – UNLV Law School – FY 09 –** Addition of \$152,004 in Registration Fees, deletion of \$23,500 in Miscellaneous Student Fees and \$42,092 in Non-Resident Tuition to partially offset General Fund budget reductions. Requires Interim Finance approval since the amount added to the Operating category exceeds \$50,000. **Work Program #C114520**

Refer to motion for approval under Item D.

- 31. Nevada System of Higher Education (NSHE) – Dental School – UNLV – FY 09 –** Addition of \$216,996 in Registration Fees, \$25,900 in Miscellaneous Program Fees, and \$99,766 in Non-Resident Tuition to partially offset General Fund budget reductions. Requires Interim Finance approval since the amount added to the Operating category exceeds \$50,000. **Work Program #C114519**

Refer to motion for approval under Item D.

- 32. Nevada System of Higher Education (NSHE) – College of Southern Nevada – FY 09 –** Addition of \$12,650 in Miscellaneous Program Fees and \$42,248 in Non-Resident Tuition to pay for part-time instructors. Requires Interim Finance approval since the amount added to the Operating category exceeds \$50,000. **Work Program #C114523**

Refer to motion for approval under Item D.

33. **Nevada System of Higher Education (NSHE) – Truckee Meadows Community College – FY 09** – Addition of \$7,735 in Miscellaneous Student Fees and \$95,228 in Non-Resident Tuition to fund part-time instructors. Requires Interim Finance approval since the amount added to the Operating category exceeds \$50,000. **Work Program #C114522**

Refer to motion for approval under Item D.

34. **Department of Cultural Affairs – State Historic Preservation Office – FY 09** – Addition of \$46,966 in United States Department of the Interior, National Park Service, Preserve America Grant funds to provide continued funding for the creation of a State and National Register Geographic Information Systems (GIS) database, which will be incorporated into the Nevada Cultural Resource Information System (NVCRIS) database. Requires Interim Finance approval since the cumulative amount added to the Cultural Resources Information category exceeds \$50,000. **Work Program #C114580**

Refer to motion for approval under Item D.

35. **Agriculture – Plant Industry – FY 09** – Transfer \$16,952 from the Reserve for Reversion category to the Deferred Facilities Maintenance category to correct a duplicate budget reduction. Requires Interim Finance approval since the amount transferred to the Deferred Facilities Maintenance category exceeds ten percent of the legislatively approved level for that category. **Work Program #C13315A**

Refer to motion for approval under Item D.

36. **Agriculture – Registration/Enforcement – FY 09** – Addition of \$313,850 in U.S. Environmental Protection Agency (EPA) Pesticide Enforcement funds to support the state's pesticide compliance program, promote agricultural worker protection from pesticides and protect citizens, surface and groundwater resources and endangered species from pesticide exposure. Requires Interim Finance approval since the amount added to the EPA Pesticide Enforcement federal fiscal year 2009 category exceeds \$50,000. **Work Program #C14202**

Refer to motion for approval under Item D.

37. **Agriculture – Registration/Enforcement – FY 09** – Transfer \$41,185 from the Reserve category to the Pesticide Disposal Fund category to provide funding through the end of the fiscal year for pesticide waste disposal and the purchase of groundwater testing equipment. Requires Interim Finance approval since the amount transferred to the Pesticide Disposal Fund category exceeds \$20,000. **Work Program #C14289**

Refer to motion for approval under Item D.

- 38. Agriculture – Weights & Measures – FY 09** – Transfer of \$73,431 from the Reserve category to the Operating category to allow for costs related to vehicles maintenance and fuel, building maintenance, and telephones. Requires Interim Finance approval since the amount transferred to the Operating category exceeds \$50,000. **Work Program #C14215**

Refer to motion for approval under Item D.

- 39. Agriculture – Mormon Cricket & Grasshoppers – FY 09** – Addition of \$172,686 in UDSA Mormon Cricket Grasshopper Environmental Monitoring funds to survey, conduct environmental monitoring through soil sampling, and apply treatments for Mormon crickets and grasshoppers in Nevada. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C14274**

Refer to motion for approval under Item D.

- 40. Department of Business and Industry – Insurance Division – Insurance Regulation – FY 09** – Addition of \$500,000 in Cost Allocation Reimbursement to increase a reversion to the General Fund. Requires Interim Finance approval since the amount added to the Reserve for Reversion category exceeds \$50,000. **Work Program #C114528. RELATES TO ITEM 43.**

Refer to motion for approval under Item D.

- 41. Department of Business and Industry – Insurance Division – Insurance Regulation – FY 09** – Deletion of \$281,310 in General Fund Salary Adjustment funds to comply with the State Budget Act. Requires Interim Finance approval since the amount reduced from the Personnel Services category exceeds \$50,000. **Work Program #C14643. WITHDRAWN 1-27-09.**

Item 41 was withdrawn.

- 42. Department of Business and Industry – Insurance Division – Insurance Examiners – FY 09** – Addition of \$4,326,621 in Examination Fees and addition of \$2,616,083 in Administration Fees to increase examinations and accept reimbursement of costs borne by the companies being examined. Requires Interim Finance approval since the amount added to the Insurance Company Exams category exceeds \$50,000. **Work Program #C13214**

Robin Reedy, Deputy Director, Business and Industry (B&I), identified herself for the record and introduced Kim Huys, Deputy Commissioner, Division of Insurance, B&I.

Ms. Huys appeared before the Committee to request approval to increase the Division's fiscal year 2009 expenditure authority in the Examination Fees' category and increase

revenue authority in the Administrative Fees' category. Ms. Huys advised that the work program was revised to reduce examination and administrative fee revenue.

Gary Ghiggeri, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB) reported that the Committee's staff recommended that the work program be adjusted to reduce examination fees from \$4,326,621 to \$3,290,411 and administration fees from \$2,616,083 to \$1,645,206. Additionally, Mr. Ghiggeri advised that the Division requested additional revenue authority for administrative fees totaling \$2,616,083, which would be placed in Reserve.

Ms. Huys advised that agency representatives agreed with the recommended reductions.

Assemblywoman Leslie asked agency representatives to comment on the status of the Division's examinations of non-captive insurers.

Ms. Huys advised that under the provisions of *Nevada Revised Statutes* (NRS), the Division was required to examine non-captive insurers every three years.

Assemblywoman Leslie noted that information provided to the Committee showed that the Division had a backlog of uncompleted examinations.

Ms. Huys advised that although new to the Division, she understood the examination schedule was a cause for concern but that members of the staff were in the process of reviewing the backlog. Ms. Huys said that examinations would be opened for those insurers that were required to be tested but that it was not likely all of the examinations would be completed within the statutorily-required time frame. Additionally, Ms. Huys indicated that she had asked her staff to provide a report on the examination data, which she would share with the Committee.

Assemblywoman Leslie asked that the information be provided as soon as possible for review by the Assembly Committee on Ways and Means and the Senate Committee on Finance Joint Subcommittee on General Government and Accountability. Additionally, Assemblywoman Leslie asked that the report include information on the current backlog of uncompleted examinations and the steps being taken to eliminate the backlog.

Assemblyman Hogan questioned whether there was a standard on the length of time to complete an average examination and an identifiable problem that caused the backlog.

Ms. Reedy advised that she was also new to the Department of B&I and had not yet "narrowed down" an average length of time to complete the examination process because the frequency of examinations varied by insurer type. However, Ms. Reedy assured the members of the Committee that representatives of the Division were working to provide a more predictable timeline. Additionally, Ms. Reedy reported that the Division had experienced staffing reductions and that a staffing plan was included in the agency's budget request in order to complete the examination process.

Assemblyman Hogan indicated that an opportunity existed to establish, for example, three months as a reasonable time to expect completion of the examination process and to require top management approval of extensions beyond that time. Assemblyman Hogan further indicated that establishing a timeline and explanations for extensions as well as projections for the time needed to complete the process after an extension was granted would maintain reasonable pressure on those involved in the process. Additionally, Assemblyman Hogan indicated that evaluation standards should be imposed on conducting examinations of non-captive insurers.

Assemblywoman Leslie questioned how staffing reductions would affect the process since the examinations were contracted to outside examiners who were paid by the non-captive insurance companies.

Ms. Reedy indicated she believed that only a portion of the examinations were contracted out and reiterated that Division staff was reviewing the contracts for costs and working to develop standards for timing.

Assemblywoman Leslie indicated it was her understanding that all of the examinations were contracted out.

Ms. Huys explained that although the Division retained outside examiners to conduct 100 percent of the examinations of non-captive insurers, staff provided management oversight to determine whether the contractors' examination results were acceptable.

Assemblywoman Leslie questioned whether it was an inability on the part of the staff to provide the oversight that had created the backlog problem.

In response, Ms. Huys indicated that it appeared that the problem was with the staff but explained that they were working to achieve a higher level of oversight

Assemblywoman Leslie pointed out that information provided to the Committee reflected that none of the examinations initiated in 2007 and 2008 were completed, and zero percent were projected to be completed in 2009.

Ms. Huys confirmed the accuracy of the information and advised that she would provide the Committee with additional information on the backlog problem and ideas on revamping the program.

Ms. Reedy expressed agreement with Assemblyman Hogan's earlier comments that having new people in the Department provided an opportunity for great change.

Senator Coffin asked why the newly appointed Commissioner of Insurance had not appeared before the Committee, and Ms. Reedy responded that the new Commissioner was attending a meeting on industry standards in Las Vegas, but was looking forward to meeting Committee members at subsequent hearings.

Cochair Horsford, who served as Cochair of the Joint Subcommittee on General Government and Accountability, requested that Division staff review and bring updated performance indicators to their first hearing before the Subcommittee. Additionally, Cochair Horsford said it was imperative that representatives from all agencies review and "strengthen" their performance indicators since it appeared that many could not measure progress toward agency goals.

Assemblyman Hogan advised that the art of designing and implementing performance indicators had "rapidly advanced" in recent years and that the State Controller had, what he considered, "remarkable expertise in designing performance indicators that would drive improvement." Assemblyman Hogan indicated that the State Controller had offered the services of her agency to assist other state agencies in developing performance indicators.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF
WORK PROGRAM ITEM 42 AS REVISED.

ASSEMBLYMAN ARBERRY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was
not present for the vote.)

- 43. Department of Business and Industry – Insurance Division – Insurance Examiners – FY 09** – Addition of \$500,000 from the Reserve category to the Transfer to Insurance Regulation category to increase the transfer and allow for a reversion to the General Fund. Requires Interim Finance approval since the amount transferred to the Transfer to Insurance Regulation category exceeds \$50,000. **Work Program #C114532. RELATES TO ITEM 40.**

Refer to motion for approval under Item D.

- 44. Department of Business and Industry – Housing Division – FY 09** – Transfer of \$27,700 from the Reserve category to the Loan Servicing category to support the Governor's Teachers First Program and to assume loan servicing responsibilities for one of the division's bankrupt loan servicing companies. Requires Interim Finance approval since the cumulative amount transferred to the Loan Servicing category exceeds ten percent of the legislatively approved level for that category. **Work Program #C14620**

Refer to motion for approval under Item D.

- 45. Department of Business and Industry – Housing Division – Low-Income Housing Trust Fund – FY 09** – Addition of \$349,880 in Federal National Foreclosure Mitigation Counseling Program (NFMCP) Grant funds to support foreclosure mitigation counseling to certain Housing and Urban Development

(HUD) approved entities. Requires Interim Finance approval since the amount added to the NFMCP Subgrantees category exceeds \$50,000. **Work Program #C114584**

Lon DeWeese, Chief Financial Officer, Housing Division, Department of Business and Industry, appeared before the Committee to request approval to receive and expend \$349,880 in Federal National Foreclosure Mitigation Counseling Program (NFMCP) Grant funds. The funding would be used to support certified Housing and Urban Development (HUD) entities that provided mortgage foreclosure intervention and loss mitigation counseling.

Mr. DeWeese advised that although the grant was a supplement to funding received earlier in the year, it appeared that no amount of grant funding would be sufficient to meet the foreclosure crisis occurring throughout the state. However, Mr. DeWeese indicated that it was important for the Committee to understand that Division representatives "stood by every dollar" provided by grant funding to assist those Nevadans in need of foreclosure mitigation and counseling.

In response to Assemblywoman Koivisto, who asked for specific information on how foreclosure counseling actually assisted those Nevadans facing foreclosure, Mr. DeWeese advised that HUD certified entities provided the counseling, not the state. Mr. DeWeese discussed the frustration on the part of the counseling agencies that related to their inability to persuade banks to take a loss on the loans that reflected the actual current value of homes or the current income capacity of homeowners to meet the debt service on an existing or renegotiated loan. Although frustrating, Mr. DeWeese said the process had to be undertaken and that homeowners facing foreclosure could not be abandoned. Additionally, Mr. DeWeese pointed out that although the program had a high failure rate, a majority of those who had received renegotiated loans were succeeding in their current debt service.

Senator Raggio recalled that during the interim there appeared to be unwillingness on the part of nonprofit counseling groups to share performance measurement data with the state and questioned whether the issue had been resolved. Additionally, Senator Raggio indicated that it was his understanding that grant funding could not be used to reduce homeowners' debt service and questioned whether the nonprofit agencies could provide mediation services as well as counseling.

Mr. DeWeese confirmed that the funds were not available for purposes of buying down loans and that the nonprofit organizations had difficulty in providing performance measures to the state. Mr. DeWeese advised, however, that the Division's new internal auditing unit would monitor the performance of the contractors, and he provided assurance that the supplemental funding would be used effectively.

Senator Raggio questioned whether the members of the Legislature would receive "essential information" concerning effective use of the funding since it appeared that the HUD certified agencies were not willing to provide the performance data. Additionally,

Senator Raggio again questioned whether the counseling agencies could provide mediation services for homeowners facing foreclosure.

Mr. DeWeese advised that the HUD certified counselors had the capability to act as direct agents in negotiating with the banks, but he said their success rate faced ever-increasing difficulties because the banks were underprepared to address the large wave of inquiries from counseling services. Additionally, Mr. DeWeese advised that one of the problems counseling agencies had in submitting performance data was in waiting to hear from the banks that an offer to renegotiate was accepted.

Senator Raggio expressed skepticism that the funding was being used to effectively address the serious housing problems occurring in Nevada.

Assemblywoman Koivisto questioned how banks and lenders could be encouraged to work with the counseling agencies.

Mr. DeWeese indicated there was willingness on the part of the banking and lending institutions to "clean up" their balance sheets, and there was pressure on federal and state regulatory banking institutions to ensure safe and sound practices. However, he said there was uncertainty that the banks would be able to sustain the strikes on their "greatly reduced balance sheets as they moved loans through the foreclosure process."

In response to Cochair Mathews, who requested information on the number of borrowers that had received assistance, Mr. DeWeese advised that although the data was available, he did not have the information with him.

Assemblyman Conklin provided clarification regarding the issue of the counseling agencies provision of information to the state and advised that the dispute arose over the Division's request for personal information concerning individual borrowers. Assemblyman Conklin advised that it was his understanding that HUD did not require personal information regarding the borrowers, and the nonprofit agencies did not want to release information if the federal government did not require the information.

Additionally, Assemblyman Conklin indicated that preserving a borrowers' home was the first choice, but counseling services also provided a preservation mechanism to avoid future credit damage and to maintain the ability for a borrower to purchase another home in the future.

Mr. DeWeese agreed with Assemblyman Conklin's statements and stressed the importance of preserving the credit worthiness of individuals, who were financially unable to continue to service their debt, to allow them to transition out of the debt without declaring bankruptcy and creating larger problems.

Senator Rhoads asked agency representatives to comment on the lending practices by Nevada banks on out-of-state properties.

Mr. DeWeese responded that he was unaware of the banking rules that allowed instate charter banks to lend on out-of-state properties and indicated he would defer to Division of Mortgage Lending or Division of Financial Institutions' representatives to answer the question.

Assemblyman Hogan asked agency representatives to describe the kinds of information they received from the HUD certified counselors including the number of cases they opened, the success rate, and the frequency of the banks' inability to respond.

Mr. DeWeese reiterated that he did not have a report from the contractors with him but provided assurance that each HUD certified entity that received funding was required on a monthly basis to report the number of cases opened and the status of those cases. Mr. DeWeese advised that a long lead time existed between the time a case was opened and closed and that, in some cases, there was no closure when a borrower abandoned the effort out of frustration or failure to receive the kind of response desired. Mr. DeWeese advised that Division of Housing representatives would prepare reports for distribution to the Committee members.

ASEMBLYMAN ARBERRY MOVED APPROVAL OF WORK PROGRAM ITEM 45.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- 46. Department of Business and Industry – Housing Division – Low-Income Housing Trust Fund – FY 09** – Transfer of \$3,800,000 from the Encumbered Reserve category to the Loan Disbursements category to provide financial assistance and funding for projects to local governments, housing authorities and non-profit organizations for housing assistance to eligible families. Requires Interim Finance approval since the amount added to the Loan Disbursements category exceeds \$50,000. **Work Program #C114586**

Refer to motion for approval under Item D.

- 47. Department of Business and Industry – Division of Mortgage Lending – FY 09** – Transfer of \$69,669 from the Operating category and \$1,549 from the Information Services category to the Reserve category to adjust for rent abatement. Requires Interim Finance approval since the amount reduced from the Operating category exceeds \$50,000. **Work Program #C14622**

Refer to motion for approval under Item D.

- 48. Department of Business and Industry – Industrial Relations – FY 09** – Deletion of \$76,820 in Workers' Compensation and Safety funds to account for a three-month rent abatement of a renegotiated lease agreement. Requires

Interim Finance approval since the amount deducted from the Operating category exceeds \$50,000. **Work Program #C14290**

Refer to motion for approval under Item D.

49. **Department of Business and Industry – Industrial Relations – FY 09 –** Addition of \$92,364 in Workers' Compensation and Safety funds to meet projected legal fees associated with conducting meetings, public hearings, and the revision of Subsequent Injury Board for Self-Insured Employers' regulations. Requires Interim Finance approval since the amount added to the Subsequent Injury Board category exceeds \$50,000. **Work Program #C14396**

Refer to motion for approval under Item D.

50. **Department of Business and Industry – Industrial Relations – Occupational Safety & Health Enforcement – FY 09 –** Deletion of \$99,566 in Workers' Compensation and Safety funds to account for a three-month rent abatement of a renegotiated lease agreement. Requires Interim Finance approval since the amount deducted from the Operating category exceeds \$50,000. **Work Program #C14294**

Refer to motion for approval under Item D.

51. **Department of Business and Industry – Industrial Relations – Occupational Safety & Health Enforcement – FY 09 –** Addition of \$66,416 in Allocation from the Workers' Compensation Fund to provide for the additional legal service fees due to a substantial increase in contested cases, attendant pleadings and legal service requirements. Requires Interim Finance approval since the amount added to the Operating category exceeds \$50,000. **Work Program #C114561**

Refer to motion for approval under Item D.

52. **Department of Health and Human Services – Director's Office Administration – FY 09 –** Addition of \$191,462 in Youth Suicide Federal Grant funds and transfer of \$834 from the Operating category and \$115 from the Information Systems category to the Youth Suicide Federal Grant category due to carryover of unspent grant funds in fiscal year 2008. This will allow the Office of Suicide Prevention to continue to refine the current suicide prevention plan into a comprehensive statewide plan and expand a pilot project in Clark County into a more sustainable system of suicide prevention. Requires Interim Finance approval since the amount added to the Youth Suicide Federal Grant category exceeds \$50,000. **Work Program #C40237**

Refer to motion for approval under Item D.

53. **Department of Health and Human Services – Director's Office Administration – FY 09** – Addition of \$3,033 in 2008 Olmstead Compliance Stipend funds and transfer of \$29,101 from the Reserve category to the Community Based Care Grant – Olmstead category to support Olmstead compliance in other agencies and non-state service providers. Requires Interim Finance approval since the amount added to the Community Based Care Grant – Olmstead category exceeds \$20,000. **Work Program #C40239**

Refer to motion for approval under Item D.

54. **Department of Health and Human Services – Director's Office Grants Management Unit – FY 09** – Addition of \$1,736,810 in Federal Community Services Block Grant funds to support community services to low-income families. **This action involves the allocation of block grant funds and requires a public hearing. Work Program #C40231**

Cochair Mathews announced that Item 54 required a public hearing.

Shawna DeRousse, Administrative Services Officer, Director's Office, Department of Health and Human Services, identified herself for the record.

Ms. DeRousse requested Committee approval to increase the fiscal year 2009 Community Services Block Grant authority by \$1,071,812 and to place \$664,998 in the Reserve category. Ms. DeRousse also noted that the work program involved the allocation of block grant funds and required a public hearing.

Cochair Mathews opened the hearing on Item 54 to public testimony.

Hearing no response to the request, Cochair Mathews closed the hearing to public testimony.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF ITEM
54.

ASSEMBLYWOMAN GANSERT SECONDED THE
MOTION.

THE MOTION CARRIED UNANIMOUSLY.

55. **Department of Health and Human Services – Director's Office Grants Management Unit – FY 09** – Addition of \$200,000 in Temporary Assistance for Needy Families (TANF) Block Grant funds to be used in the Victims of Domestic Violence Program. **This action involves the allocation of block grant funds and requires a public hearing. Work Program #C40236**

Cochair Mathews announced that Item 55 required a public hearing.

Shawna DeRousse, Administrative Services Officer, Director's Office, Department of Health and Human Services, identified herself for the record.

Ms. DeRousse requested Committee approval to increase revenue and expenditure authority to accept the addition of \$200,000 in Temporary Assistance for Needy Families (TANF) Block Grant funds to support the Victims of Domestic Violence Program. Ms. DeRousse also advised that the work program involved the allocation of block grant funds and required a public hearing.

Cochair Mathews opened the hearing on Item 55 to public testimony.

Hearing no response to the request, Chair Mathews closed the hearing to public testimony.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF
ITEM 55.

ASSEMBLYMAN GOICOECHEA SECONDED THE
MOTION.

THE MOTION CARRIED UNANIMOUSLY.

56. Department of Health and Human Services – Director's Office Grants Management Unit – FY 09 – Addition of \$1,233,759 in Title XX Federal Social Services Block Grant funds to support the Department of Child and Family Services Domestic Violence Program. This action involves the allocation of block grant funds and requires a public hearing. Work Program #C40234

Cochair Mathews announced that Item 56 required a public hearing.

Shawna DeRousse, Administrative Services Officer, Director's Office, Department of Health and Human Services (DHHS), identified herself for the record.

Ms. DeRousse requested Committee approval to increase "authority to receive \$1,233,759 in Title XX Federal Social Services Block Grant funds as a result of reconciling the Title XX award for federal fiscal year 2009 with the current available authority." Ms. DeRousse advised that, if approved, \$60,601 would be allocated to non-state grantees, \$223,000 would be allocated to the Division of Child and Family Services for the Domestic Violence Program, and \$950,158 in unobligated funding would be placed in the Reserve category. Ms. DeRousse also advised that the work program involved the allocation of block grant funds and required a public hearing.

Cochair Horsford asked for an explanation concerning the reason funding for non-state agencies should be increased at a time when many state-funded programs were being reduced because of revenue shortfalls.

Ms. DeRousse advised that it was the policy of the Department of Health and Human Services' Director that 10 percent of Title XX block grant funding should be allocated to non-state grantees.

Cochair Horsford asked for more specific information on the justification for the allocation.

Mike Torvinen, Deputy Director, Fiscal Services, Director's Office, (DHHS) advised that the Director's policy concerning the 10 percent allocation was established a number of years ago. Mr. Torvinen explained that during the budget reduction process, funding from a number of non-General Fund sources including Title XX, the Children's Trust Fund, and Annie E. Casey funding was used to fill the gaps where General Fund money had to be reduced to meet budget reduction targets. Additionally, Mr. Torvinen explained that the \$60,000, although not a significant amount, was budgeted to be spent during the next biennium on nonprofit organizations.

Cochair Horsford questioned the strategy being used and asked whether allocating funding to non-state agencies could be delayed until the issue could be addressed during joint subcommittee hearings.

Assemblywoman Leslie agreed that the funding allocation for non-state agencies could be addressed in joint subcommittee hearings, but expressed support for the Director's policy because she said that nonprofit organizations could often deliver services in a more cost-effective manner than the state. Assemblywoman Leslie reiterated that the \$60,000 placed in Reserve should be discussed in joint subcommittee but said she did not want to delay the portion of the allocation to the Domestic Violence Program.

Cochair Horsford agreed with Assemblywoman Leslie's proposal.

Cochair Mathews opened the hearing on Item 56 to public testimony.

Hearing no response to the request, Cochair Mathews closed the hearing to public testimony.

ASSEMBLYWOMAN LESLIE MOVED TO APPROVE EXPENDITURE AUTHORITY FOR THE DCFS DOMESTIC VIOLENCE PROGRAM BY \$223,000 AND TO PLACE THE \$60,601 IN RESERVE AND DELAY ALLOCATING THE FUNDS TO NON-STATE AGENCIES UNTIL THE JOINT SUBCOMMITTEE ON HUMAN SERVICES COULD REVIEW THE ISSUE IN BUDGET HEARINGS.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley and Assemblyman Ocegüera were not present for the vote.)

- 57. Department of Health and Human Services – Director's Office Developmental Disabilities – FY 09** – Addition of \$152,325 in Sub-grant funds from the Division of Health Care Financing and Policy for the purpose of improving coordination of services among state agencies and community organizations with direct responsibilities to individuals with disabilities in their pursuit of competitive employment. Requires Interim Finance approval since the amount added to the Developmental Disability Grants category exceeds \$50,000.
Work Program #C14450

Shawna DeRousse, Administrative Services Officer, Director's Office, Department of Health and Human Services (DHHS), identified herself for the record.

Ms. DeRousse requested Committee approval to increase revenue authority for the Office of Disability Services by \$152,325 in Medicaid Infrastructure sub-grant funds from the Division of Health Care Financing and Policy. If approved, the funding would be used to improve the coordination of services among state agencies and community organizations that provided assistance to individuals with disabilities.

Ms. DeRousse advised that based on discussions with staff, the work program was revised to reflect the following:

- o Include revenue totaling \$152,325 in General Ledger 4672 rather than General Ledger 4669.
- o Include expenditures totaling \$152,325 in category 12 rather than the multiple categories reflected on the work program as submitted.

Cochair Horsford questioned how the agency would account for the expended funds.

Ms. DeRousse explained that the Special Use category 12 would separate the funds and would provide the agency the ability to track and report on the expenditures.

ASSEMBLYWOMAN LESLIE MOVED APPROVAL OF
ITEM 57 AS REVISED.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

- 58. Department of Health and Human Services – Aging Services Division – Aging Older Americans Act – FY 09** – Addition of \$101,790 in State Health Assistance Program (SHIP) grant funds to provide information, counseling and

assistance to Medicare beneficiaries in Nevada involving a statewide network of volunteers. Requires Interim Finance approval since the amount added to the ICA/SHIP Program category exceeds \$50,000. **Work Program #C40918**

Refer to motion for approval under Item D.

- 59. Department of Health and Human Services – Aging Services Division – Aging Older Americans Act – FY 09** – Addition of \$92,889 in Title V Senior Employment grant funds to provide older workers with subsidized on-the-job training in new job skills necessary to assist with the transition into unsubsidized employment. Requires Interim Finance approval since the amount added to Title V-Senior Employment category exceeds \$50,000. **Work Program #C40919**

Refer to motion for approval under Item D.

- 60. Department of Health and Human Services – Health Care Financing & Policy – HIFA Holding Account – FY 09** – Deletion of \$6,105,551 in General Fund Appropriation to allow the department to transfer funds to the Medicaid budget to cover unanticipated child welfare medical expenses. The provisions of S.B. 2 (24th Special Session) authorize the department to transfer funds among the various budget accounts of the department during the 2007-09 biennium. Requires Interim Finance approval since the amount deducted from the Reserve for Reversion category exceeds \$50,000. **Work Program #C14307. RELATES TO ITEM 66.**

Lynn Carrigan, Administrative Services Officer, Department of Health and Human Services, Division of Health Care Financing and Policy (DHCFP), appeared before the Committee to request authority to transfer funds held in Reserve in the Medicaid account (\$17.5 million) and funds held in Reserve in other DHCFP accounts (\$13.1 million) to cover a portion of the projected General Fund shortfall in the Medicaid account. Ms. Carrigan's request encompassed work programs 60, 61, 63, 65, 66, 67, 68, 69, and 72. Items 70 and 73 were withdrawn.

Ms. Carrigan reported that the work programs, before the Committee, addressed the projected shortfall in medical services and that in 2008 funds were reserved for reversion in a number of budget accounts in response to the budget-reduction process. The funds were subsequently moved to Category 92, Reserve for Caseload Shortfall, and balanced forward to state fiscal year 2009 to the Medicaid budget to fund the shortfall and to reduce the request for a supplemental appropriation in The Executive Budget.

Ms. Carrigan provided the following accounting concerning the request:

Work Program C14307 - Item 60

Work program C14307, Item 60, and companion Work Program C14308, Item 66, transferred \$6,105,551 in General Funds from the HIFA (Health Insurance Flexibility

and Accountability) Holding Account to the Medicaid budget to address the projected shortfall in that account.

The transfer included funds totaling \$2,315,345 that were balanced forward from fiscal year 2008 to fiscal year 2009 in the HIFA Holding Account and funds totaling \$3,790,206 that were reserved for reversion in fiscal year 2009 in the HIFA Holding Account.

Work Program C14309, Item 61

In fiscal year 2009, \$4,518,195 was reserved for reversion in Budget Account 3157, the Intergovernmental Transfer Program. Those funds would be moved to Category 10, Transfer to Budget Account 3243, Nevada Medicaid. Companion Work Program C14315 increased the Intergovernmental Transfer and placed the funds in Category 19, Child Welfare in the Medicaid budget.

Work Program C14316, Item 63

Work Program Item 63 was revised to remove the 2008 reversions to Category 92, Reserve for Caseload Shortfall, which included \$410,000 of funding appropriated through one-shot legislation that could not be used to cover expenditures in the Medicaid account. The remaining funds (\$209,803) in Category 92 and the funds in Category 93, Reserve for Reversion, were moved to Budget Account 3243, Nevada Medicaid, Title XIX, with expenditure authority placed in Category 19, Child Welfare, to address the shortfall in Budget Account 3243.

Work Program C14318, Item 65

Work Program C14318, Item 65, and companion Work Program C14319 moved \$355,845 in Budget Account 3178, Nevada Checkup, Category 93, Reserve for Reversion, to Budget Account 3243, Nevada Medicaid, Title XIX, Category 19, Child Welfare to address the projected shortfall in that account.

Work Program 14145, Item 67

Work Program 14145 decreased expenditure authority in Category 93, Reserve for Reversion, by \$17,513,268 and increased expenditure authority in Categories 12, 14, and 19, TANF (Temporary Assistance to Needy Families), CHAP (Child Health Assurance Program), MAABD (Medical Assistance for the Aged, Blind, and Disabled), and Child Welfare Services respectively. Additionally, the work program increased expenditure authority in Category 17, County Indigent, to pay for projected increases in County Match expenditures.

Gary Ghiggeri, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, clarified that Work Program Items 70, and 73 were withdrawn and that Work Program 63 should be revised to reflect that GL2501 was reduced by \$465,211 rather than \$875,211 and that Category 92 was reduced by \$209,803 rather than \$619,803.

Additionally, Mr. Ghiggeri advised that Work Program Item 68 should be revised so that GL2501 was reduced from \$875,211 to \$465,211, GL3511 was reduced from \$875,211 to \$465,211, and Category 19 was reduced from \$1,750,422 to \$930,422.

ASSEMBLYWOMAN BUCKLEY MOVED APPROVAL OF WORK PROGRAMS 60, 61, 63, 65, 66, 67, 68, 69, AND 72 AS REVISED BASED ON THE WITHDRAWAL OF WORK PROGRAM ITEMS 70 and 73.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED.

- 61. Department of Health and Human Services – Health Care Financing & Policy – Intergovernmental Transfer Program – FY 09 –** Deletion of \$4,518,195 in Reserve for Reversion to allow the department to transfer funds to the Medicaid budget to cover unanticipated child welfare medical expenses. The provisions of S.B. 2 (24th Special Session) authorize the department to transfer funds among the various budget accounts of the department during the 2007-09 biennium. Requires Interim Finance approval since the amount deducted from the Reserve for Reversion category exceeds \$50,000. **Work Program #C14309. RELATES TO ITEM 72.**

Refer to narrative and motion for approval under Item 60.

- 62. Department of Health and Human Services – Health Care Financing & Policy – Administration – FY 09 –** Addition of \$357,933 in State Profile Tool Federal Grant funds to establish a baseline readiness assessment of long-term care in Nevada from which a plan can be developed to implement recommendations for the Nevada Strategic Health Care Plan. Requires Interim Finance approval since the amount added to the State Profile Tool Federal Grant category exceeds \$50,000. **Work Program #C14172**

Refer to motion for approval under Item D.

- 63. Department of Health and Human Services – Health Care Financing & Policy – Administration – FY 09 –** Deletion of \$875,211 in General Fund Appropriation to allow the department to transfer funds to the Medicaid budget to cover unanticipated child welfare medical expenses. The provisions of S.B. 2 (24th Special Session) authorize the department to transfer funds among the various budget accounts of the department during the 2007-09 biennium. Requires Interim Finance approval since the amount deducted from the Reserve for Reversion category exceeds \$50,000. **Work Program #C14316. RELATES TO ITEM 68.**

Refer to narrative and motion for approval under Item 60.

64. **Department of Health and Human Services – Health Care Financing & Policy – Increased Quality of Nursing Care – FY 09** – Transfer of \$3,609,719 from the Reserve category to the Transfer to Medicaid category to pay the state share of rate increases for skilled nursing facilities caring for Medicaid recipients. Requires Interim Finance approval since the amount added to the Transfer to Medicaid category exceeds \$50,000. **Work Program #C14330. RELATES TO ITEM 71.**

Refer to motion for approval under Item D.

65. **Department of Health and Human Services – Health Care Financing & Policy – Nevada Check-Up Program – FY 09** – Deletion of \$355,845 in General Fund Appropriation to allow the department to transfer funds to the Medicaid budget to cover unanticipated child welfare medical expenses. The provisions of S.B. 2 (24th Special Session) authorize the department to transfer funds among the various budget accounts of the department during the 2007-09 biennium. Requires Interim Finance approval since the amount deducted from the Reserve for Reversion category exceeds \$50,000. **Work Program #C14318. RELATES TO ITEM 69.**

Refer to narrative and motion for approval under Item 60.

66. **Department of Health and Human Services – Health Care Financing & Policy – Nevada Medicaid, Title XIX – FY 09** – Addition of \$6,105,551 in General Fund Appropriation transferred from the HIFA Holding account, and \$6,105,551 of Federal Title XIX funds to cover unanticipated child welfare related medical expenses. The provisions of S.B. 2 (24th Special Session) authorize the department to transfer funds among the various budget accounts of the department during the 2007-09 biennium. Requires Interim Finance approval since the amount added to the Child Welfare category exceeds \$50,000. **Work Program #C14308. RELATES TO ITEM 60.**

Refer to narrative and motion for approval under Item 60.

67. **Department of Health and Human Services – Health Care Financing & Policy – Nevada Medicaid, Title XIX – FY 09** – Addition of \$25,004,844 in Federal Title XIX funds and \$7,491,572 in county reimbursements and transfer of \$17,513,268 from the Reserve for Reversion category to the TANF/CHAP category to provide sufficient authority to pay projected medical expenditures through May 2009 as a result of significant unanticipated caseload increases. Requires Interim Finance approval since the amount added to the TANF/CHAP category exceeds \$50,000. **Work Program #C14415**

Refer to narrative and motion for approval under Item 60.

68. **Department of Health and Human Services – Health Care Financing & Policy – Nevada Medicaid, Title XIX – FY 09** – Addition of \$875,211 of General Fund Appropriation transferred from the division’s Administration Account, and \$875,211 of Federal Title XIX funds to cover unanticipated child welfare related medical expenses. The provisions of S.B. 2 (24th Special Session) authorize the department to transfer funds among the various budget accounts of the department during the 2007-09 biennium. Requires Interim Finance approval since the amount added to the Child Welfare category exceeds \$50,000. **Work Program #C14317. RELATES TO ITEM 63.**

Refer to narrative and motion for approval under Item 60.

69. **Department of Health and Human Services – Health Care Financing & Policy – Nevada Medicaid, Title XIX – FY 09** – Addition of \$355,845 of General Fund Appropriation transferred from the NV Check Up account, and \$355,845 of Federal Title XIX funds to cover unanticipated child welfare related medical expenses. The provisions of S.B. 2 (24th Special Session) authorize the department to transfer funds among the various budget accounts of the department during the 2007-09 biennium. Requires Interim Finance approval since the amount added to the Child Welfare category exceeds \$50,000. **Work Program #C14319. RELATES TO ITEM 65.**

Refer to narrative and motion for approval under Item 60.

70. **Department of Health and Human Services – Health Care Financing & Policy – Nevada Medicaid, Title XIX – FY 09** – Addition of \$1,200,000 of General Fund Appropriation transferred from the HIFA Medical account, and \$1,200,000 of Federal Title XIX funds to cover unanticipated child welfare related medical expenses. The provisions of S.B. 2 (24th Special Session) authorize the department to transfer funds among the various budget accounts of the department during the 2007-09 biennium. Requires Interim Finance approval since the amount added to the Child Welfare category exceeds \$50,000. **Work Program #C14322. RELATES TO ITEM 73.**

Item 70 was withdrawn.

71. **Department of Health and Human Services – Health Care Financing & Policy – Nevada Medicaid, Title XIX – FY 09** – Addition of \$3,609,719 in Federal Title XIX funds and \$3,609,719 in Transfer from Long Term Care (LTC) Provider Tax funds to pay the state share of rate increases for skilled nursing facilities caring for Medicaid recipients. Requires Interim Finance approval since the amount added to Medical Assistance to the Aged, Blind and Disabled category exceeds \$50,000. **Work Program #C14401. RELATES TO ITEM 64.**

Refer to motion for approval under Item D.

72. **Department of Health and Human Services – Health Care Financing & Policy – Nevada Medicaid, Title XIX – FY 09** – Addition of \$4,518,195 of Federal Title XIX funds and \$4,518,195 in Transfer from the Intergovernmental Transfer account to cover unanticipated child welfare related medical expenses. The provisions of S.B. 2 (24th Special Session) authorize the department to transfer funds among the various budget accounts of the department during the 2007-09 biennium. Requires Interim Finance approval since the amount added to the Child Welfare category exceeds \$50,000. **Work Program #C14315. RELATES TO ITEM 61.**

Refer to narrative and motion for approval under Item 60.

73. **Department of Health and Human Services – Health Care Financing & Policy – HIFA Medical – FY 09** – Deletion of \$1,200,000 in General Fund Appropriation and conversely a decrease of \$1,200,000 in Reserve for Caseload Shortfall to allow the department to transfer funds to the Medicaid budget to cover unanticipated child welfare medical expenses. The provisions of S.B. 2 (24th Special Session) authorize the department to transfer funds among the various budget accounts of the department during the 2007-09 biennium. Requires Interim Finance approval since the amount deducted from the Reserve for Caseload Shortfall category exceeds \$50,000. **Work Program #C14320. RELATES TO ITEM 70.**

Item 73 was withdrawn.

74. **Department of Health and Human Services – Health Division – Vital Statistics – FY 09** – Addition of \$198,716 in National Center for Health Statistics Contract funds for the Electronic Death Registration System software maintenance fees and Reserve for Reversion. The additional revenue is a result of more backlogged data and records entered than anticipated. Requires Interim Finance approval since the amount added to the Operating category exceeds \$50,000. **Work Program #C14431. WITHDRAWN 1-27-09.**

Refer to motion for approval under Item D.

75. **Department of Health and Human Services – Health Division – WIC Food Supplement – FY 09** – Addition of \$360,379 in Prior Year Refunds to provide nutritional education, vouchers for supplemental foods and referral to other community resources. Requires Interim Finance approval since the amount added to the Vendor Refunds category exceeds \$50,000. **Work Program #C14381**

Refer to motion for approval under Item D.

76. **Department of Health and Human Services – Health Division – WIC Food Supplement – FY 09** – Addition of \$6,776,217 in Federal Women, Infants, and

Children (WIC) Grant funds to provide nutrition education, vouchers for supplemental foods, and referral to other community resources. Requires Interim Finance approval since the amount added to the Aid to Individuals category exceeds \$50,000. **Work Program #C14386**

Refer to motion for approval under Item D.

77. **Department of Health and Human Services – Health Division – WIC Food Supplement – FY 09** – Addition of \$2,400,000 in Rebate funds for providing aid to individuals through food purchases. Requires Interim Finance approval since the amount added to the Aid to Individuals category exceeds \$50,000. **Work Program #C14394**

Refer to motion for approval under Item D.

78. **Department of Health and Human Services – Health Division – Sexually Transmitted Disease Control – FY 09** – Addition of \$200,000 in Federal Ryan White Comprehensive Care Grant funds to enhance the standard electronic client information data system. Requires Interim Finance approval since the amount added to the Comprehensive Care category exceeds \$50,000. **Work Program #C14399**

Refer to motion for approval under Item D.

79. **Department of Health and Human Services – Health Division – Communicable Disease Control – FY 09** – Addition of \$29,808 in Federal Statewide Comprehensive Cancer, Cancer Registry, and Breast and Cervical Cancer grant funds to support the Carson Tahoe Cancer Center and to effect a sub-grant with the University of Nevada, Reno, for a cancer summit. Requires Interim Finance approval since the cumulative amount added to the Comprehensive Cancer category exceeds ten percent of the legislatively approved level for that category. **Work Program #C14462**

Refer to motion for approval under Item D.

80. **Department of Health and Human Services – Health Division – Maternal Child Health Services – FY 09** – Addition of \$108,452 in Federal Center for Disease Control (CDC) grant funds for the Nevada Early Hearing Detection and Intervention Program (NEHDI) to assist in the early detection and subsequent intervention for infants born with a hearing deficiency. Requires Interim Finance approval since the amount added to the NEHDI category exceeds \$50,000. **Work Program #C12725**

Refer to motion for approval under Item D.

- 81. Department of Health and Human Services – Health Division – Maternal Child Health Services – FY 09** – Addition of \$152,482 in Federal Sexual Violence Prevention and Education Grant to support community education and prevention initiatives to prevent rape and sexual violence. Requires Interim Finance approval since the amount added to the Rape Prevention and Education category exceeds \$50,000. **Work Program #C14376. RELATES TO ITEMS 82, 83, AND 85.**

Refer to narrative and motion for approval under Items 82, and 83.

- 82. Department of Health and Human Services – Health Division – Maternal Child Health Services – FY 09** – Deletion of \$216,717 in Federal Maternal and Child Health Block Grant funds for personnel and transfer of \$136,658 from the Personnel Services category to the Medical-Dental category. This will realign the program authority with the current block grant award. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C14382. RELATES TO ITEMS 81, 83, AND 85.**

Mary Keating, Administrative Services Officer, Health Division, Department of Health and Human Services, requested Committee approval of Work Program Item 82 to delete \$216,717 in Federal Maternal and Child Health Block Grant funds for personnel and transfer \$136,658 from the Personnel Services category to the Medical-Dental category. The work program also aligned salary costs.

Additionally, Ms. Keating advised that the allocation of block grant funding required a public hearing.

Cochair Mathews opened the hearing on Item 82 to public comment.

Hearing no response to the request, Cochair Mathews closed the hearing to public comment.

ASSEMBLYWOMAN KOIVISTO MOVED APPROVAL OF
WORK PROGRAM ITEM 82.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- 83. Department of Health and Human Services – Health Division – Maternal Child Health Services – FY 09** – Addition of \$24,328 in Transfer from the Special Supplemental Food Program for Women, Infants, and Children (WIC) to support the statewide breastfeeding program. Addition of \$38,739 in Transfer from Communicable Disease Control to support the Maternal and Child Health program, the Diabetes program and the Comprehensive Cancer Control program. **Requires Interim Finance approval since the amount involves the**

**allocation of block grant funds and this action requires a public hearing.
Work Program #C14384. RELATES TO ITEMS 81, 82, AND 85.**

Mary Keating, Administrative Services Officer, Health Division, Department of Health and Human Services, requested Committee approval of Work Program Item 83 for the addition of \$24,328 in Transfer from the Special Supplemental Food Program for Women, Infants, and Children (WIC) and for the addition of \$38,739 in Transfer from Communicable Disease Control to support the Maternal and Child Health Program, the Diabetes program, and the Comprehensive Cancer Control program. The work program also aligned salaries costs.

Additionally, Ms. Keating advised that the allocation of block grant funds required a public hearing.

Cochair Mathews opened the hearing on Item 83 to public comment.

Hearing no response to the request, Cochair Mathews closed the hearing to public comment.

ASSEMBLYMAN HARDY MOVED APPROVAL OF WORK PROGRAM ITEM 83.

ASSEMBLYMAN GOICOECHEA SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- 84. Department of Health and Human Services – Health Division – Maternal Child Health Services – FY 09** – Addition of \$500,000 in Federal First Time Motherhood/New Parent Initiative funding to increase public awareness of resources available to women preparing for childbirth and new parents through advertising campaigns and toll-free hotlines targeting Clark County. Requires Interim Finance approval since the amount added to the First Time Motherhood category exceeds \$50,000. **Work Program #C14404**

Refer to motion for approval under Item D.

- 85. Department of Health and Human Services – Health Division – Maternal Child Health Services – FY 09** – Deletion of \$124,666 in Federal Oral Health Grant to reflect the grant award and realign personnel for this program; and transfer \$28,268 in additional savings from the Personnel Services category to the Oral Disease Prevention category to retain a contract, which provides health education, sealant program coordination, evaluations, and coalition support. Requires Interim Finance approval since the amount deleted from the Personnel

Services category exceeds \$50,000. **Work Program #C14420. RELATES TO ITEMS 81, 82, AND 83.**

Refer to narrative and motion for approval under Items 81, 82, and 83.

- 86. Department of Health and Human Services – Welfare Division – Administration – FY 09** – Addition of \$1,396,895 in Federal USDA Supplemental Nutrition Assistance Program funds to assist community partners in fulfilling their nutrition education plans for recipients on serving healthy meals and applying dietary guidelines for good health. Requires Interim Finance approval since the amount added to the Nutrition Education Network category exceeds \$50,000. **Work Program #C14256**

Refer to motion for approval under Item D.

- 87. Department of Health and Human Services – Welfare Division – Administration – FY 09** – Addition of \$596,003 in Federal USDA Supplemental Nutrition Assistance Program (SNAP) funds to conduct a campaign to educate low income households on the program and assist in the application process and also consolidate expenditure authority to better track expenditures. Requires Interim Finance approval since the amount added to the Food Stamp Information Program category exceeds \$50,000. **Work Program #C14258**

Refer to motion for approval under Item D.

- 88. Department of Health and Human Services – Welfare Division – TANF – FY 09** – Addition of \$200,000 in Federal Temporary Assistance to Needy Families (TANF) Block Grant funds to sub-grant to the Division of Child and Family Services in order to provide direct services to victims of domestic violence and sexual assault. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C14367**

Romaine Gilliland, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services (DHHS), identified himself for the record. Mr. Gilliland requested Committee approval of Work Program Item 88, which revised revenue and expenditure authority to allow for the transfer of \$200,000 in Federal Temporary Assistance to Needy Families (TANF) Block Grant funds to be sub-granted to the Division of Child and Family Services. Mr. Gilliland advised the Committee that Work Program Item 88 involved the allocation of block grant funds and required a public hearing.

Cochair Mathews opened the hearing on Item 88 to public comment.

Hearing no response to the request, Cochair Mathews closed the hearing to public comment

ASSEMBLYMAN HARDY MOVED APPROVAL OF
ITEM 88.

ASSEMBLYMAN GOICOECHEA SECONDED THE
MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- 89. Department of Health and Human Services – Welfare Division – TANF – FY 09** – Addition of \$7,275,365 in Federal Temporary Assistance to Needy Families (TANF) Block Grant funds to provide assistance to an additional 8,518 recipients, per November 2008 caseload data, so dependent children can be cared for in their own homes by furnishing financial assistance on a temporary basis. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C114570**

Romaine Gilliland, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services (DHHS), identified himself for the record and introduced Sue Smith, Administrative Services Officer, Division of Welfare and Supportive Services, DHHS. Mr. Gilliland requested Committee approval of Work Program Item 89 for the addition of \$7,275,365 in Federal Temporary Assistance to Needy Families (TANF) Block Grant funds and to increase revenue and expenditure authority to fund TANF cash assistance based on December 2008 caseload projections. Mr. Gilliland advised the Committee that Work Program Item 89 involved the allocation of block grant funds and required a public hearing.

Cochair Mathews opened the hearing on Item 89 to public comment.

Hearing no response to the request, Cochair Mathews closed the hearing to public comment

ASSEMBLYMAN HARDY MOVED APPROVAL OF
ITEM 89.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- 90. Department of Health and Human Services – Welfare Division – Field Services – FY 09** – Addition of \$43,713 in Federal Supplemental Nutrition Assistance Employment and Training Program funds and a de-augmentation of \$14,812 in Federal USDA Food Stamp Program funds to meet federal performance requirements that provide opportunities for participants to become employed by assisting with job search, transportation and other employment

related needs. Requires Interim Finance approval since the amount transferred to the Supplemental Nutrition Assistance Program's Employment and Training category exceeds \$50,000. **Work Program #C14368**

Refer to motion for approval under Item D.

91. **Department of Health and Human Services – Welfare Division – Field Services – FY 09** – Addition of \$663,218 in Federal Supplemental Nutrition Assistance Employment and Training Program funds and deletion of \$488,964 in Federal USDA Food Stamp Program funds to administer the Supplemental Nutrition Assistance Program's Employment and Training function and provide job search training and support activities that permit work-mandatory participants to remain eligible for benefits. Requires Interim Finance approval since the amount added to the Federal Supplemental Assistance Program Employment and Training category exceeds \$50,000. **Work Program #C14457**

Refer to motion for approval under Item D.

92. **Department of Health and Human Services – Welfare Division – Child Support Enforcement Program – FY 09** – Addition of \$341,542 in Federal Child Support Program funds and a reduction of \$175,946 from Reserve to allow state child support and State Collections and Disbursement Unit staff to relocate and centralize the Child Support Enforcement Program in Las Vegas with Clark County. This effort supports A.B. 536, Chapter 95 of the 2007 Legislative Session, and the recommendations outlined in a December 2006 Performance Audit to restructure the Nevada Child Support Program by merging the state and county child support offices. Requires Interim Finance approval since the amount added to the Equipment category exceeds \$50,000. **Work Program #C14339**

Romaine Gilliland, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services (DHHS), identified himself for the record and introduced Sue Smith, Administrative Services Officer, Division of Welfare and Supportive Services, DHHS; Teresa Lowry, Assistant District Attorney, Clark County; and C. A. Watts, Director, Clark County District Attorney, Family Support Division.

Mr. Gilliland requested Committee approval of Work Program Item 92 for the addition of \$341,542 in Federal Child Support Program funds and a reduction of \$175,946 from the Reserve category. Approval of the request would provide the funding for the Division to co-locate its Child Support Enforcement staff and operations in southern Nevada with the Clark County District Attorney, Family Support Division. Mr. Gilliland advised that the co-location would advance the partnership between the county and the state and would implement a MAXIMUS' audit recommendation to centralize all child support services into a single facility within the Clark County area. Additionally, Mr. Gilliland said that in addition to

reducing costs, co-locating the state and county offices would allow for a one-stop operation for the individuals that utilized the services within Clark County.

Assemblywoman Leslie agreed that co-locating the state and county offices was a good idea but questioned the amount of Federal Child Support Program funds being requested to purchase new furniture, telephones, and shelving to match the office décor designed by Clark County representatives.

Mr. Gilliland advised that the funding for furniture, telephones, and shelving was requested per individual module and that the amount of funding needed had been revised.

C. A. Watts, Director, Clark County District Attorney, Family Support Division, explained that the new modular furniture was not requested to match the décor of the building but because the current furniture was not configured to the individual cubicles that were designed as individual work spaces for enforcement staff. Additionally, Mr. Watts explained that the new shelving requested for the file room would eliminate the current two-day delay to retrieve case files from the "rolling shelves" currently in use.

In response to Assemblywoman Leslie, who asked for the revised costs, Mr. Gilliland advised that the \$4,900 the Division had allowed for each modular unit was revised to \$3,300.

Cochair Mathews asked the agency representatives and the Committee's staff to work together to address the revised cost and to return to the Committee in ten minutes with the information that was needed for the work program.

In response to questions Cochair Horsford asked, Mr. Gilliland confirmed that the Division had an adequate number of Child Support Enforcement staff and that there were no vacancies and no staff reductions.

Cochair Horsford questioned why the plan for co-locating the state and county Child Support Enforcement personnel and operations was not included in the Division's previous budget cycle.

Mr. Gilliland advised that the Division staff had been working on co-locating the Child Support Enforcement operation within a single Clark County facility for the last 18 months. Additionally, Mr. Gilliland advised that the lease for the State Collections and Disbursement Unit, currently located on East Desert Inn Road, would expire on June 30. Mr. Gilliland indicated that the move-in date might need to be moved forward into the last half of the calendar year because of expenditures that needed to be funded in the current state fiscal year.

Cochair Horsford questioned why the request was not submitted through the budget process.

Mr. Gilliland advised that when the work program was initially submitted, funds would have been required in the current fiscal year; however, he indicated that if there were no "front-end expenditures" prior to June 30, the request could be delayed.

Mr. Watts advised that expenditures based upon square footage or number of personnel that occurred in fiscal year 2009 would be prorated between all of the divisions that occupied the new facility and would initially be paid for by Clark County with reimbursement to be provided by the state for their share.

Assemblywoman McClain, who noted that the request included \$87,627 to fund the imaging of case files, asked for details on how the funding would be expended.

Mr. Watts advised that imaging of case files was a new process designed to improve the efficiency of processing the cases and that the \$87,627 would be utilized to purchase the equipment and to allow the vendor to image existing case files into the format required by the state.

Assemblywoman McClain pointed out that Clark County Social Services had established an "excellent" imaging system. The Assemblywoman advised that if the request was brought before a joint subcommittee, the subcommittee members would request that consideration be given to purchasing the same system used by Clark County Social Services.

Cochair Mathews asked for clarification on whether the request could be considered during the budget process.

Mr. Gilliland advised that although the cost for the modular units was being revised, the Division would need to move forward with the program since authority for some of the expenditures would be required in fiscal year 2009.

Cochair Mathews pointed out that another Interim Finance Committee meeting would be scheduled prior to the end of the fiscal year, and the item could be deferred if the Committee members so desired.

ASSEMBLYMAN ARBERRY MOVED TO DEFER
APPROVAL OF THE REQUEST TO A SUBSEQUENT
INTERIM FINANCE COMMITTEE MEETING.

COCHAIR HORSFORD SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Gilliland returned to the witness table later in the hearing to ask the Committee to reconsider delaying the request to co-locate the Division's Child Support

Enforcement operations with the Clark County District Attorney, Family Support Division. Mr. Gilliland explained that the Division could not enter into a lease agreement with Clark County to move the Division's Child Support Enforcement personnel and operations from its current location on East Desert Inn Road to the Greystone building complex on east Flamingo Road. Mr. Gilliland pointed out that the Division's lease at the Desert Inn location expired in June.

Mr. Gilliland indicated that the work program was originally planned to be submitted to the November 2008 Interim Finance Committee meeting; however, final cost estimates were not available at that time. Although he indicated that he agreed with the concept of co-locating services, Mr. Gilliland pointed out that the Division could not enter into a lease agreement without the Committee's approval of the work program.

Assemblywoman Buckley asked Mr. Gilliland to comment on whether it was wise to proceed with co-location at this time.

Mr. Gilliland advised that it was in the best interest of the state and the Child Support Enforcement Program to move forward with co-location and that a lease expense for fiscal year 2009-10 had been included in The Executive Budget.

Assemblywoman Buckley pointed out that the recommendation was a product of the MAXIMUS audit and that it was important to improve on the collection of child support statewide. Additionally, Assemblywoman Buckley expressed support for providing a physical environment suitable toward delivering the service.

Assemblywoman Buckley advised that although cost was a large concern, she would be prepared to support co-location subject to staff reviewing the specifics of the expenditures and to determine whether costs could be reduced.

Cochair Horsford suggested that a motion to reconsider the motion to defer the request would be in order.

ASSEMBLYWOMAN MCCLAIN MOVED TO RECONSIDER
THE MOTION TO DEFER THE REQUEST TO CO-LOCATE
THE DIVISION'S CHILD SUPPORT ENFORCEMENT
OPERATION WITH THE CLARK COUNTY FAMILY
SUPPORT DIVISION TO A SUBSEQUENT INTERIM
FINANCE COMMITTEE MEETING.

ASSEMBLYWOMAN BUCKLEY SECONDED THE
MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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ASSEMBLYWOMAN BUCKLEY MOVED THAT THE COMMITTEE APPROVE THE REQUEST TO CO-LOCATE THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES' CHILD SUPPORT ENFORCEMENT OPERATION WITH THE CLARK COUNTY FAMILY SUPPORT DIVISION SUBJECT TO COST REDUCTIONS BASED ON STAFF REVIEW.

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION.

Cochair Horsford was informed that staff had revised cost figures and with direction from Assemblywoman Buckley, staff would continue a review to determine whether additional cost savings could be achieved.

Gary Ghiggeri, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, reported that in a preliminary review by staff, the \$517,488 requested in the work program could be reduced to approximately \$456,500. Additionally, Mr. Ghiggeri advised that as stated in the motion, staff would continue a review for additional savings.

Cochair Horsford asked staff to determine, for the Committee's benefit, whether any of the furnishings in the existing building could be used in the new facility. Cochair Horsford added that co-locating the operations needed to meet the goals of the audit using the most cost-efficient method.

THE MOTION CARRIED UNANIMOUSLY.

93. **Department of Health and Human Services – Welfare Division – Child Assistance and Development – FY 09** – Addition of \$105,966 in Federal Discretionary grant funds and \$4,058,839 in Federal Child Care Mandatory Matching grant funds to provide child care subsidies to assist families to attain a level of self-sufficiency adequate to avoid dependency on public assistance. Requires Interim Finance approval since the amount added to the Child Care Mandatory Matching category exceeds \$50,000. **Work Program #C14344**

Refer to motion for approval under Item D.

94. **Department of Health and Human Services – Welfare Division – Energy Assistance Program – FY 09** – Addition of \$11,041,748 in Federal Low-Income Home Energy Assistance (LIHEA) grant funds and decrease of \$2,371,616 in Universal Energy Charge funds to provide additional contract staff for the remainder of the fiscal year to address the application backlog and address computer system enhancements, which would increase staff productivity, and increase the transfer by five percent to the Business and Industry's Housing

Division for FY 2009. **Requires Interim Finance approval since the amount involves the allocation of block grant funds and this action requires a public hearing. Work Program #C14502**

Romaine Gilliland, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services (DHHS), requested approval of Work Program Item 94, which would reconcile fiscal year 2009 budget authority to available Low-Income Home Energy Assistance (LIHEA) block grant funds and decrease Universal Energy Charge funds to support additional contract staff and "significant funding for benefits." Mr. Gilliland explained contract staff hired to address a backlog of applications for energy assistance could not be sustained beyond February without approval of the work program.

Additionally, Work Program Item 94 involved the allocation of block grant funds and required a public hearing.

Cochair Mathews opened the hearing on Item 94 to public comment.

Hearing no response to the request, Cochair Mathews closed the hearing to public comment.

ASSEMBLYMAN CONKLIN MOVED APPROVAL OF
WORK PROGRAM ITEM 94.

ASSEMBLYMAN GOICOECHEA SECONDED THE
MOTION.

THE MOTION CARRIED UNANIMOUSLY.

95. **Department of Health and Human Services – Mental Health and Developmental Services – Southern Nevada Adult Mental Health Services – FY 09** – Addition of \$100,000 in sub-grant funds from Southern Nevada Health District to provide funding for a contract employee to serve as a mental health preparedness liaison as well as provide for training, travel, registrations and expenses for the employee. Requires Interim Finance approval since the amount added to the Disaster Preparedness category exceeds \$50,000. **Work Program #C13895. REVISED JANUARY 21, 2009, FOR REVENUE GL CHANGE.**

Refer to motion for approval under Item D.

96. **Department of Health and Human Services – Mental Health and Developmental Services – Northern Nevada Adult Mental Health Services – FY 09** – Transfer of \$344,964 from the Personnel Services category to the Professional Services category to fund contract psychiatrists to support current agency operations and maintain quality patient care. Requires Interim Finance

approval since the amount transferred to the Professional Services category exceeds \$50,000. **Work Program #C14213**

Refer to motion for approval under Item D.

97. **Department of Health and Human Services – Mental Health and Developmental Services – Rural Regional Center – FY 09** – Transfer of \$283,800 from the Community Services category to the Family Support Program/Autism category to track autism caseload. Requires Interim Finance approval since the amount transferred to the Family Support Program/Autism category exceeds \$50,000. **Work Program #C14016**

Refer to motion for approval under Item D.

98. **Department of Health and Human Services – Mental Health and Developmental Services – Desert Regional Center – FY 09** – Addition of \$224,940 in Title XIX - Case Management funds for the federal portion of replacement equipment funded in S.B. 253 of the 2007 Legislative Session. Requires Interim Finance approval since the amount added to the Replacement Equipment category exceeds \$50,000. **Work Program #C13868**

Refer to motion for approval under Item D.

99. **Department of Health and Human Services – Mental Health and Developmental Services – Desert Regional Center – FY 09** – Transfer of \$80,000 from the ~~Information Services~~ **Resident Placement** category to the Utilities category to cover projected utility costs for the remainder of the fiscal year. Requires Interim Finance approval since the amount transferred to the Utilities category exceeds \$50,000. **Work Program #C14164. REVISED, JANUARY 21, 2009.**

Refer to motion for approval under Item D.

100. **Department of Health and Human Services – Mental Health and Developmental Services – Sierra Regional Center – FY 09** – Addition of \$23,465 in Title XIX - Intermediate Care Facilities for the Mentally Retarded (ICF-MR) funds for the federal portion of equipment expenditures approved by S.B. 253 of the 2007 Legislative Session. Requires Interim Finance approval since the amount added to the Replacement Equipment category exceeds ten percent of the legislatively approved level for the category. **Work Program #32147**

Refer to motion for approval under Item D.

101. **Department of Health and Human Services – Child and Family Services Division – Community Juvenile Justice Programs – FY 09** – Addition of

\$858,834 in Enforcing Underage Drinking Laws (EUDL) Discretionary Program funds focused on a university/college initiative. Requires Interim Finance approval since the amount added to the EUDL Discretionary category exceeds \$50,000. **Work Program #C14293**

Refer to motion for approval under Item D.

- 102. Department of Health and Human Services – Child and Family Services Division – Clark County Integration – FY 09** – Addition of \$13,468,104 in Federal Title IV-E grant funds to allow the Division of Child and Family Services to pass through federal funding to Clark County Department of Family Services for previously deferred Title IV-E claims for child welfare services performed. Requires Interim Finance approval since the amount added to the Pass Through category exceeds \$50,000. **Work Program #C14365**

Refer to motion for approval under Item D.

- 103. Department of Health and Human Services – Child and Family Services Division – UNITY/SACWIS – FY 09** – Addition of \$115,858 in Federal Child Welfare Service Title IV-E funds and \$7,979 in Transfer of Title XIX Medicaid funds to cover additional authority needed to draw in funds for allowable expenditure reimbursements that were inadvertently not drawn in the previous fiscal year. Requires Interim Finance approval since the amount added to the Reserve for Reversion category exceeds \$50,000. **Work Program #C14181**

Refer to motion for approval under Item D.

- 104. Department of Health and Human Services – Child and Family Services Division – Children, Youth & Family Administration – FY 09** – Addition of \$1,231,278 in Targeted Grants to Increase the Well-Being and to Improve the Permanency Outcomes for Children Affected by Methamphetamine or Substance Abuse (Meth) Grant funds to provide activities and services that are designed to increase the well-being of, improve permanency outcomes for, and enhance the safety of children who are in an out-of-home placement or are at risk of being placed in an out-of-home placement as a result of a parent's or caretaker's methamphetamine or other substance abuse. Requires Interim Finance approval since the amount added to the Meth Grant category exceeds \$50,000. **Work Program #C13019**

Refer to motion for approval under Item D.

- 105. Department of Health and Human Services – Child and Family Services Division – Victims of Domestic Violence – FY 09** – Addition of \$623,000 in funds transferred from the Department of Health and Human Services (DHHS) Director's Office to augment marriage license fees and provide direct assistance to victims of domestic violence. Requires Interim Finance approval since the

amount added to the Domestic Violence Aid Grants category exceeds \$50,000.
Work Program #C14356

Diane Comeaux, Administrator, Division of Child and Family Services (DCFS), Department of Health and Human Services (DHHS), identified herself for the record and introduced Tina Leahy, Administrative Services Officer, DCFS, DHHS.

Ms. Comeaux requested Committee approval of Work Program Item 105, which corresponded to Work Program Item 56 previously approved by the Committee. Work Program 105 requested authority to receive \$623,000 from the Director's Office, DHHS, to augment marriage license fees and to provide direct assistance to victims of domestic violence.

ASSEMBLYMAN HARDY MOVED APPROVAL OF
ITEM 105.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY

106. Department of Health and Human Services – Child and Family Services Division – Rural Child Welfare – FY 09 – Transfer of \$291,053 from the Child Welfare category to the Substitute Foster Care category, \$40,436 from the Child Welfare category to the Subsidized Adoptions category, \$40,093 from the Mental Health Placements category to the Subsidized Adoptions category, \$69,907 from the Mental Health Placements category to the Non-XIX Medical category, \$7,031 from the Operating category to the Utilities category, and \$592 from the Operating category to the Maintenance Buildings and Grounds category to realign expenditure authority to maintain appropriate recording of expenditures for multiple programs. Requires Interim Finance approval since the amount transferred from Child Welfare exceeds \$50,000. **Work Program #C14670**

Diane Comeaux, Administrator, Division of Child and Family Services (DCFS), Department of Health and Human Services (DHHS) identified herself for the record and introduced Tina Leahy, Administrative Services Officer, DCFS, DHHS.

Ms. Comeaux advised that the Rural Child Welfare budget identified the need for a supplemental appropriation for fiscal year 2009. With expenditure authority shortfalls projected prior to Legislative approval of the supplemental appropriation request, Ms. Comeaux requested Committee approval of Work Program Item 106, which would realign expenditure authority in multiple categories to continue operations until approval of the supplemental appropriation anticipated in April 2009.

SENATOR COFFIN MOVED APPROVAL OF ITEM 106.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- 107. Department of Health and Human Services – Child and Family Services Division – Northern Nevada Child & Adolescent Services – FY 09** – Transfer of \$81,203 from the Personnel Services category to the Contract Psychiatric Services category to allow for increased contract coverage while the division continues to recruit for a replacement for the psychiatric position to provide psychiatric services as required by Medicaid in Chapter 400 of the Medicaid Services Manual under 403.2.2. Requires Interim Finance approval since the amount transferred to the Contract Psychiatric Services category exceeds \$50,000. **Work Program #C14021**

Refer to motion for approval under Item D.

- 108. Department of Employment, Training & Rehabilitation – DETR Administrative Services – FY 09** – Transfers \$70,000 from the Reserve category to the Operating category and \$25,000 from the Reserve category to the Utilities category to provide administrative support to the department and to fund unanticipated utilities costs. Requires Interim Finance approval since the amount added to the Operating category exceeds \$50,000. **Work Program #C114559**

Refer to motion for approval under Item D.

- 109. Department of Employment, Training & Rehabilitation – Information Development and Processing – FY 09** – Adds \$288,464 in Cost Allocation Reimbursement revenue to cover increased information technology service demands as a result of increased unemployment insurance activity. Requires Interim Finance approval since the work program includes a new position. **Work Program #C14447**

Refer to motion for approval under Item D.

- 110. Department of Employment, Training & Rehabilitation – Information Development and Processing – FY 09** – Transfers \$50,000 from the Reserve category to the Operating category and \$18,000 from the Reserve category to the Utilities category to cover unanticipated costs to support the department. Requires Interim Finance approval since the amount added to the Operating category exceeds \$20,000. **Work Program #C114565**

Refer to motion for approval under Item D.

- 111. Department of Employment, Training & Rehabilitation – Research & Analysis – FY 09** – Adds \$410,808 in Federal Administrative Cost Allowance and \$10,000 in Charges for Services to cover costs associated with providing

up-to-date statistical data on labor force activities. Requires Interim Finance approval since the amount added to the ALMIS grant category exceeds \$50,000. **Work Program #C114568**

Refer to motion for approval under Item D.

- 112. Department of Employment, Training & Rehabilitation – Employment Security Division – Career Enhancement Program – FY 09** – Transfers \$100,000 from the Reserves to Personnel Services category, \$335,000 from the Reserves to Operating category, \$1,000,000 from Reserves to Client Services category and \$10,500 from Reserves to Information Services category to cover costs associated with the high demand for client services due to the sharp change in the unemployment rate. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C14410**

Refer to motion for approval under Item D.

- 113. Department of Employment, Training & Rehabilitation – Employment Security Division – FY 09** – Adds \$716,965 in Federal Administrative Cost Allowance funds to assist with implementing Phase II of the Layoff Contingency Plan to help serve the increased numbers of unemployed Nevadans. Requires Interim Finance approval since the request includes new positions. **Work Program #C14286**

Refer to motion for approval under Item D.

- 114. Department of Employment, Training & Rehabilitation – Employment Security Division – Special Fund – FY 09** – Transfers \$72,000 from the Reserve category to the Employment Security Division (ESD) Equipment category to increase call center capacity and accommodate increased unemployment claims requests. Requires Interim Finance approval since the amount added to the ESD Equipment category exceeds \$50,000. **Work Program #C14287**

Refer to motion for approval under Item D.

- 115. Department of Employment, Training & Rehabilitation – Employment Security Division – Special Fund – FY 09** – Transfers \$223,500 from the Reserve category to the Operating category to cover costs associated with Workforce Investment Board audits and to cover increased legal costs to represent the division in unemployment insurance claim denials and tax appeal cases. Requires Interim Finance approval since the amount added to the Operating category exceeds \$50,000. **Work Program #C114589**

Refer to motion for approval under Item D.

- 116. Department of Corrections – High Desert State Prison – FY 09** – Addition of \$490,435 in Budgetary Transfer to provide funding for projected inmate driven expenditures. Requires Interim Finance approval since the amount added to the Inmate Drivens category includes a budgetary transfer that balances against other work programs. **Work Program #C114585. RELATES TO ITEM 117.**

Refer to motion for approval under Item D.

- 117. Department of Corrections – Southern Nevada Correctional Center – FY 09** – Deletion of \$490,435 in Budgetary Transfer to provide funding for projected inmate driven expenditures at High Desert State Prison. Requires Interim Finance approval since the amount deducted from the Inmate Drivens category includes a budgetary transfer that balances against other work programs. **Work Program #C114587. RELATES TO ITEM 116.**

Refer to motion for approval under Item D.

- 118. Department of Corrections – Offenders' Store Fund – FY 09** – Transfer of \$254,358 from the Retained Earnings category to the Information Services category to complete the conversion of the inmate banking and commissary systems to the Nevada Offender Tracking Information System (NOTIS). Requires Interim Finance approval since the amount transferred to the Information Services category exceeds \$50,000. **Work Program #C14070**

Refer to motion for approval under Item D.

- 119. Department of Corrections – Prison Industry – FY 09** – Deletion of \$107,756 in License Plate Charges, \$1,154,798 in Miscellaneous Sales, \$16,890 in Reimbursements, and \$17,500 in Rental Income to align budgetary authority with current revenue projections. There is also a transfer of \$188,938 from the Northern Nevada Correctional Center (NNCC) Furniture category to the Lovelock Correctional Center (LCC) Garment Factory category based on current expenditure projections, and to authorize the use of existing budgetary authority for electrical upgrades at the NNCC metal shop. Requires Interim Finance approval since the amount transferred from the NNCC Furniture category exceeds \$50,000. **Work Program #C114606**

Refer to motion for approval under Item D.

- 120. Department of Corrections – Prison Dairy – FY 09** – Addition of \$333,700 in Wild Horse Boarding funds for the purchase of hay and other operating costs due to recent increases in the price of hay and the estimated increase in the number of horses to be boarded through June 30, 2009. Requires Interim Finance

approval since the amount added to the Wild Horse Program category exceeds \$50,000. **Work Program #C14324**

Refer to motion for approval under Item D.

- 121. Department of Public Safety – Capitol Police – FY 09** – Deletion of \$125,000 in Transfer from Buildings and Grounds to account for budget reductions in accordance with Buildings and Grounds. Requires Interim Finance approval since the amount deducted from the Personnel Services category exceeds \$50,000. **Work Program #C14655. RELATES TO ITEM 10.**

Refer to motion for approval under Item D.

- 122. Department of Public Safety – Forfeitures – Law Enforcement – FY 09** – Transfer of \$10,277 from the Reserve category to the Investigations Federal category to fund a Drug Task Force Investigations Training Course, which will provide students with an understanding of proper procedures for counter-drug operations including the development of the investigation through prosecution of the case. Requires Interim Finance approval since the cumulative amount added to the Investigations Federal category exceeds \$50,000. **Work Program #C14449**

Refer to motion for approval under Item D.

- 123. Department of Public Safety – Emergency Management Division – FY 09** – Addition of \$525,450 in Transfer from Division of Emergency Management – Office of Domestic Preparedness to enhance the operational capabilities of emergency first responders through resource management, planning and training activities. Requires Interim Finance approval since the amount transferred to the Homeland Security Grant Program (HSGP) Resource Management category exceeds \$50,000. **Work Program #C14332**

Refer to motion for approval under Item D.

- 124. Department of Public Safety – Emergency Management Division – FY 09** – Addition of \$194,553 in Transfer from Division of Emergency Management (DEM) Homeland Security Grant Program (HSGP) for continuing training and exercise programs in order to meet program objectives. Requires Interim Finance approval since the amount added to the Homeland Security Grant Program Training category exceeds \$50,000. **Work Program #C14512**

Refer to motion for approval under Item D.

- 125. Department of Public Safety – Emergency Management Division – FY 09** – Addition of \$206,127 in Transfer from Division of Emergency Management – Department of Public Safety (DPS) Training to support DPS training

requirements. Requires Interim Finance approval since the amount added to the DPS Training category exceeds \$50,000. **Work Program #C14513**

Refer to motion for approval under Item D.

- 126. Department of Public Safety – Emergency Management Division – FY 09 –** Addition of \$30,290 in federal Emergency Management Performance Grant (EMPG) funds to support and enhance emergency preparedness. Requires Interim Finance approval since the cumulative amount added to the operating category exceeds \$50,000. **Work Program #C14515**

Refer to motion for approval under Item D.

- 127. Department of Public Safety – Emergency Management Division – FY 09 –** Addition of \$77,769 in Transfer from Division of Emergency Management – Public Safety Interoperable Communications (PSIC) to equip, operate and maintain three mobile communication vehicles. Requires Interim Finance approval since the amount added to the PSIC category exceeds \$50,000. **Work Program #C14516**

Refer to motion for approval under Item D.

- 128. Department of Public Safety – Emergency Management Division – FY 09 –** Addition of \$43,200 in Transfer from Federal Emergency Management Agency (FEMA – Hazard Mitigation Grant Program (HMGP) to request authority to receive federal funds for administrative expenses in the operating budget. Requires Interim Finance approval since the cumulative amount added to the Operating category exceeds \$50,000. **Work Program #C114542**

Refer to motion for approval under Item D.

- 129. Department of Public Safety – Emergency Management Division – FY 09 –** Addition of \$9,804 in Transfer from Division of Emergency Management – FEMA –1583-DR to provide funding for administrative expenses in support of the Hazard Mitigation Grant Program (HMPG) related to the FEMA Disaster Grant (Clark/Lincoln flood). Requires Interim Finance approval since the cumulative amount transferred to the In-State Travel category exceeds \$50,000. **Work Program #C114543**

Refer to motion for approval under Item D.

- 130. Department of Public Safety – Emergency Management Division – FY 09 –** Addition of \$34,566 in Transfer from Division of Emergency Management – Homeland Security Grant Program to improve statewide preparedness and achieve program objectives through training and exercise. Requires Interim

Finance approval since the cumulative amount added to the Homeland Security Grant Program Training category exceeds \$50,000. **Work Program #C114564**

Refer to motion for approval under Item D.

- 131. Department of Public Safety – Emergency Management Assistance Grants – FY 09** – Addition of \$398,000 in Buffer Zone Protection Plan to support preparedness capabilities of responsible jurisdictions in communities surrounding high priority critical infrastructure and key resource assets. Requires Interim Finance approval since the amount added to the Buffer Zone Protection Plan category exceeds \$50,000. **Work Program #C14337**

Refer to motion for approval under Item D.

- 132. Department of Public Safety – Emergency Management Assistance Grants – FY 09** – Addition of \$23,506 in Waste Isolation Pilot Program to increase preparedness relating to low-level radioactive waste shipments throughout Nevada. Requires Interim Finance approval since the amount added to the Waste Isolation Pilot Program category exceeds ten percent of the legislatively approved level for that category. **Work Program #C14341**

Refer to motion for approval under Item D.

- 133. Department of Public Safety – Emergency Management Assistance Grants – FY 09** – Addition of \$112,250 in Federal Department of Energy (DOE) Agreement in Principle (AIP) Grant and DOE AIP carry forward authority to support emergency preparedness activities at a DOE facility within the state and/or an incident associated with the transportation of nuclear or radiological materials. Requires Interim Finance approval since the amount transferred to the Department of Energy – Grant category exceeds \$50,000. **Work Program #C14429**

Refer to motion for approval under Item D.

- 134. Department of Public Safety – Highway Patrol – FY 09** – Addition of \$210,967 in Transfer from Traffic Safety – Joining Forces to continue multi-jurisdictional traffic enforcement activities focused on reducing fatalities and serious injury crashes in Nevada. Requires Interim Finance approval since the amount added to the Joining Forces Grant category exceeds \$50,000. **Work Program #C14047**

Refer to motion for approval under Item D.

- 135. Department of Public Safety – Highway Patrol – FY 09** – Transfer of \$100,000 from the Radio Communications category to the Laboratory Services category to cover an anticipated shortfall related to toxicology testing for drivers suspected of

driving under the influence. Requires Interim Finance approval since the amount added to the Laboratory Services category exceeds \$50,000. **Work Program #C14438**

Refer to motion for approval under Item D.

- 136. Department of Public Safety – Highway Patrol – FY 09** – Transfer \$170,000 from the Radio Communications category and \$80,000 from the Uniforms category to the Operating category to cover an anticipated shortfall in fuel. Requires Interim Finance approval since the amount transferred to the Operating category exceeds \$50,000. **Work Program #C14446**

Refer to motion for approval under Item D.

- 137. Department of Public Safety – Highway Patrol – FY 09** – Addition of \$807,939 in contract services reimbursement to provide authority to receive reimbursement for service provided for wide load escorts and special events including traffic control. These services result in overtime, in-state travel, and additional vehicle expenses which are then billed back to those entities requesting the services. Requires Interim Finance approval since the amount added to the Personnel Services category exceeds \$50,000. **Work Program #C14454**

Refer to motion for approval under Item D.

- 138. Department of Public Safety – Highway Safety Grants Account – FY 09** – Addition of \$245,458 in Motor Carrier Safety Assistance Program Federal Grant funds (20.218) to increase authority to match the amount of federal funds available in the grant. Requires Interim Finance approval since the amount added to the Motor Carrier Safety Grant category exceeds \$50,000. **Work Program #C14072**

Refer to motion for approval under Item D.

- 139. Department of Public Safety – Parole Board – FY 09** – Transfer of \$16,000 from the Equipment category to the Hearing Representatives category to continue conducting parole hearings. Requires Interim Finance approval since the amount transferred to the Hearing Representatives category exceeds ten percent of the legislatively approved level for that category. **Work Program #C14333**

Refer to motion for approval under Item D.

- 140. Department of Public Safety – Technology Division – FY 09** – Transfer of \$64,000 from the Personnel Services category to the Operating category to cover a projected shortfall in Non-State Owned Building Rent for office space at

333 W. Nye Lane, Carson City. Requires Interim Finance approval since the amount added to the Operating category exceeds \$50,000. **Work Program #C114562**

Refer to motion for approval under Item D.

- 141. Department of Public Safety – State Emergency Response Commission – FY 09** – Transfer of \$141,378 from the Reserve category to the State Emergency Response Commission (SERC) Grants category to fund grants awarded to Local Emergency Planning Committees for support of hazardous materials incident prevention, mitigation and response. Requires Interim Finance approval since the amount transferred to the SERC Grants category exceeds 50,000. **Work Program #C14338**

Refer to motion for approval under Item D.

- 142. Department of Public Safety – State Emergency Response Commission – FY 09** – Transfer of \$499,072 from the Reserve category to the Transfer to State Fire Marshal category to fund the operation of training programs and a training center for handling emergencies relating to hazardous materials and fires. Requires Interim Finance approval since the amount transferred to the Transfer to State Fire Marshal category exceeds \$50,000. **Work Program #C14340**

Refer to motion for approval under Item D.

- 143. Department of Public Safety – Highway Safety Plan & Admin – FY 09** – Addition of \$209,491 in Transfer from Traffic Safety-C (410 Alcohol Funds), \$53,446 in Transfer from 4687 Traffic Records (408 Traffic Safety Funds) and deletion of \$18,715 in Transfer from Traffic Safety (402 Highway Funds) to align revenue and expenditure authority that will more effectively implement internal programs that will reduce traffic incidents resulting from driving under the influence. Funds will also be available to continue implementation and improvements to the traffic record system. Requires Interim Finance approval since the amount added to the Impaired Driving category exceeds \$50,000. **Work Program #C13999**

Refer to motion for approval under Item D.

- 144. Department of Conservation & Natural Resources – Forestry Division – FY 09** – Addition of \$73,547 in Southern Nevada Public Land Management Act (SNPLMA) Grant funds to complete a fuel break in the Franktown Creek Watershed area of Lake Tahoe Nevada State Park and extend three existing fuel breaks. Requires Interim Finance approval since the cumulative amount added

to the U.S. Bureau of Land Management SNPLMA Grant category exceeds \$50,000. **Work Program #C14326**

Refer to motion for approval under Item D.

- 145. Department of Conservation & Natural Resources – State Parks – FY 09 –** Addition of \$45,000 in U.S. Dept of the Interior, Fish and Wildlife Service, Boating Access Grant funds transferred from the Nevada Department of Wildlife (NDOW) to purchase a snow blower and tractor for Lake Tahoe. The outcome of this project is to provide fully functional boat launch facilities throughout the year at Sand Harbor and Cave Rock. Requires Interim Finance approval since the amount added to the NDOW Boating Access Grant category exceeds ten percent of the legislatively approved level for that category. **Work Program #C14275**

Refer to motion for approval under Item D.

- 146. Department of Conservation & Natural Resources – State Parks – FY 09 –** Addition of \$25,463 in funds transferred from the A.B. 9 Question 1 (Q1) Bonds account to provide adequate authority for employees traveling for Q1 Bond projects and to cover allowable miscellaneous operating expenditures plus a two percent contingency as allowed by the Q1 Bond projects. Requires Interim Finance approval since the amount added to the Question 1 category exceeds ten percent of the legislatively approved level for that category. **Work Program #C14648**

Refer to motion for approval under Item D.

- 147. Department of Conservation & Natural Resources – State Lands – FY 09 –** Transfer of \$39,753 from the Personnel Services category to the Reserve for Reversion category to meet the agency's fiscal year 2008 budget reduction target. Requires Interim Finance approval since the cumulative amount transferred from the Personnel Services category exceeds \$50,000. **Work Program #C13994**

Refer to motion for approval under Item D.

- 148. Department of Conservation & Natural Resources – Nevada Natural Heritage FY 09 –** Addition of \$159,318 in funds transferred from the NDOW to support the Climate Change Project. Requires Interim Finance approval since the amount added to the Climate Change Project category exceeds \$50,000. **Work Program #C114577**

Refer to motion for approval under Item D.

- 149. Department of Wildlife – Administration – FY 09 –** Addition of \$50,000 in Transfer from Conservation (Q1 Bonds) funds for sagebrush habitat protection

and restoration. Requires Interim Finance approval since the amount added to the Habitat category exceeds ten percent of the legislatively approved level for that category. **Work Program #C14351**

Refer to motion for approval under Item D.

- 150. Department of Wildlife – Administration – FY 09** – Addition of \$193,312 in Transfer from Conservation (Q1 Bonds) to amend the Wildlife Action Plan to address impacts of climate change on Nevada's wildlife diversity. Requires Interim Finance approval since the amount added to the Diversity category exceeds \$50,000. **Work Program #C14359**

Refer to motion for approval under Item D.

- 151. Department of Wildlife – Administration – FY 09** – Addition of \$83,984 in Federal Southern Nevada Public Land Management Act Grant funds to conduct a population and habitat study of bighorn sheep in the River Mountains. Requires Interim Finance approval since the cumulative amount added to the Game Management category exceeds \$50,000. **Work Program #C14470**

Refer to motion for approval under Item D.

- 152. Department of Wildlife – Administration – FY 09** – Addition of \$75,000 in Federal Bureau of Reclamation Grant funds for recovery and conservation efforts of razor-back suckers. Requires Interim Finance approval since the cumulative amount added to the Fisheries Management category exceeds \$50,000. **Work Program #C114546**

Refer to motion for approval under Item D.

- 153. Department of Wildlife – Administration – FY 09** – Addition of \$30,000 in Federal Section 6 Cooperative Endangered Species funds and addition of \$10,000 in Gifts and Donations for the recovery and conservation of the endangered Devils Hole Pupfish. Requires Interim Finance approval since the amount added to the Fisheries Management category exceeds ten percent of the legislatively approved level for that category. **Work Program #C114583**

Refer to motion for approval under Item D.

- 154. Department of Wildlife – Boating Program – FY 09** – Transfer of \$162,572 from the Reserve category to the Boating Enforcement category to provide funding for the replacement of two boats. Requires Interim Finance approval since the amount added to the Boating Enforcement category exceeds \$50,000. **Work Program #C14218**

Refer to motion for approval under Item D.

- 155. Public Employees' Benefits Program – FY 09** – Addition of \$2,518,733 in Premium Income funds to cover anticipated costs due to increased enrollment and transfer of \$11,592 from the Self Insured Medical Costs category to the In-State Travel category to cover increased travel associated with communicating plan eligibility changes associated with S.B. 544 of the 2007 Legislative Session and design changes due to budget reductions. Requires Interim Finance approval since the amount added to the Fully-Insured Program category exceeds \$50,000. **Work Program #C114553**

Refer to motion for approval under Item D.

- 156. Deferred Compensation Committee – FY 09** – Transfer of \$87,112 from the Reserve category to the Operating category to cover anticipated expenditures through the remaining fiscal year. Requires Interim Finance Committee approval since the cumulative amount transferred to the Operating category exceeds \$50,000. **Work Program #C114612**

Refer to motion for approval under Item D.

II. RECLASSIFICATIONS

Agency	Agency/ Account Number	Position Number	Present Class Title, Class Code, Grade & Salary	Proposed Class Title, Class Code, Grade & Salary
Department of Education RETROACTIVE APPROVAL OF THIS RECLASSIFICATION TO AUGUST 9, 2007.	305/2691	0007	Administrative Assistant III, 2.303, grade 27, step 03, \$34,920.00 Employee/Employer Paid	Account Technician I, 7.625, grade 30, step 03, \$37,924.00 Employee/Employer Paid
Gaming Control Board	611/4061	0182	Microfilm Operator III 9.725, grade 24, step 02, \$30,192.48 Employee/Employer Paid Retirement	Administrative Assistant II, 2.212, grade 25, step 02, \$31,403.52 Employee/Employer Paid Retirement
DCNR/ Environmental Protection	709/3186	0550	Environmental Scientist III Code: 10.525, grade 36, step 01, \$47,606.40 Employee/Employer Paid Retirement	Professional Engineer Code: 6.226, grade 40, step 01, \$56,626.56 Employee/Employer Paid Retirement

E. STATEMENT OF CONTINGENCY FUND BALANCE

Refer to [Exhibit D](#)

- *F. DEPARTMENT OF WILDLIFE – ADMINISTRATION ACCOUNT – Pursuant to NRS 353.335, request for approval to accept a donation from the Archery Trade Association (ATA) in the amount of \$80,000 for two years.

Dave Prather, Administrative Services Officer, Nevada Department of Wildlife (NDOW), identified himself for the record and introduced Kelly Clark, Chief, Conservation Education Division, NDOW.

Mr. Prather requested Committee approval to accept an \$80,000 donation from the Archery Trade Association (ATA) that would fund an archery program for children in southern Nevada schools and recreational facilities.

ASSEMBLYMAN HARDY MOVED APPROVAL OF ITEM F.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

- *G. STATE PUBLIC WORKS BOARD

1. Information regarding the Northern Nevada Veterans Cemetery, Fernley.

Gustavo Nuñez, P.E., Manager, State Public Works Board, identified himself for the record and introduced Tim Tetz, Executive Director, Nevada Office of Veterans Services. Mr. Nuñez advised that a memorandum dated January 14, 2009, from Mr. Tetz regarding the Northern Nevada and Southern Nevada Veterans Memorial Cemeteries was provided in the Committee's meeting packet materials.

Mr. Tetz appeared before the Committee in response to concerns raised during a November 2008 subcommittee hearing of the Interim Finance Committee regarding the Northern Nevada and Southern Nevada Veterans Memorial Cemeteries.

Senator Raggio indicated that he had not yet had an opportunity to review the memorandum and asked to reserve time to address the issue during a subsequent Interim Finance Committee hearing.

ASSEMBLYMAN DENIS MOVED TO POSTPONE DISCUSSION OF ITEM G.1 UNTIL THE NEXT INTERIM FINANCE COMMITTEE MEETING.

ASSEMBLYMAN HOGAN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was not present for the vote.)

2. Request to revert \$192,093 to the General Fund from CIP Project 05-U7L, Campus Improvements-Truckee Meadows Community College, in order to accommodate budget reductions.

Evan Dale, Deputy Manager, State Public Works Board (SPWB), requested Committee approval to revert \$192,093 from CIP Project 05-U7L, Campus Improvements-Truckee Meadows Community College to accommodate budget reductions.

ASSEMBLYWOMAN SMITH MOVED FOR APPROVAL OF
ITEM G.2.

COCHAIR HORSFORD SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley was
not present for the vote.)

3. Request to reduce the scope of CIP Project 07-C52, Northern Nevada Emergency Vehicle Operations Course, in order to accommodate budget reductions and revert \$1,524,568 of administrative assessment revenue (NRS 176.059) to the General Fund.

Gustavo Nuñez, P.E., Manager, State Public Works Board (SPWB), requested Committee approval to reduce the scope of CIP Project 07-C52, Northern Nevada Emergency Vehicle Operations Course to the design phase, which was nearly completed and not to proceed with the construction phase. The request to reduce the scope of the project would accommodate budget reductions and revert \$1,524,568 of administrative assessment revenue (NRS 176.059) to the General Fund.

ASSEMBLYMAN GOICOECHEA MOVED APPROVAL OF
ITEM G.3.

ASSEMBLYWOMAN GANSERT SECONDED THE
MOTION.

THE MOTION CARRIED. (Assemblywoman Buckley and
Assemblyman Ocegüera were not present for the vote.)

4. Request to cancel CIP Project 07-C26, Desert Willow Treatment Center addition, due to a change in federal Medicaid regulations and revert \$9,830,998 to the Bond Interest and Redemption account.

Gustavo Nuñez, P.E., Manager, State Public Works Board (SPWB), requested Committee approval to cancel CIP Project 07-C26, Desert Willow Treatment Center addition, because of a change in federal Medicaid regulations and to revert \$9,830,998 to the Bond Interest and Redemption account.

Assemblywoman McClain questioned whether the funding for the canceled Capital Improvement Program (CIP) project could be redirected to other projects.

Mr. Nuñez advised that funding from the sale of the bonds for a canceled project had to be returned to the Bond Interest and Redemption account.

Evan Dale, Deputy Manager, Administration and Fiscal Services, SPWB, confirmed that funding from the sale of bonds for a canceled project had to be reverted to the Bond Interest and Redemption Account and that any remaining authority to receive additional funding from the sale of bonds would be canceled, which increased available bonding authority for future CIP projects.

Assemblyman Denis asked agency representatives for an update regarding the Department of Health and Human Services' (DHHS) plan to move acute-care services from the Desert Willow Treatment Center to Building 3 on the West Charleston Campus and whether federal regulators had set a deadline for the move.

Diane Comeaux, Administrator, Division of Child and Family Services (DCFS), Department of Health and Human Services (DHHS), reported that staff members from the DCFS and the Division of Mental Health and Developmental Services (MHDS) were working together to move acute-care services from the Desert Willow Treatment Center to the Stein Hospital in southern Nevada.

Ms. Comeaux advised that the Stein Hospital was being renovated to meet American with Disabilities Act (ADA) compliance standards. Ms. Comeaux reported that the contractor was currently working to address a few outstanding construction issues before services could be moved. Additionally, Ms. Comeaux advised that a deadline for moving the services had not yet been received from federal regulators.

In response to Senator Coffin's questions regarding the need for additional beds and whether a waiver was requested to allow for the provision of services at the Desert Willow Treatment Center, Ms. Comeaux explained that federal Medicaid regulations clearly prohibited the provision of acute and residential treatment services in the same building, and no waiver process existed to waive those regulations. Ms. Comeaux pointed out that the federal regulators would disallow claims for Medicaid reimbursement funds for services and that she was hopeful the move of acute-care services could take place before a letter that denied claims for reimbursement was received. Ms. Comeaux also advised that moving the two acute-care psychiatric units to the Stein Hospital provided an additional 18 residential treatment center beds.

In response to questions Senator Coffin asked regarding the remodeling project, Mr. Nuñez advised that the remodeling of the Stein Hospital was essentially completed but that the contractor was working on "punch list" items that included ensuring the distance from the toilets to the walls met ADA compliance requirements. Mr. Nuñez also reported that costs for additional minor renovations would be funded from the Department of Health and Human Services' budget.

Assemblywoman Buckley asked for the number of beds that would be available by utilizing the Desert Willow Treatment Center and the Stein Hospital.

Ms. Comeaux advised that 18 acute-service beds, with the possibility of two additional beds, would be available at the Stein Hospital, and depending on the availability of funding for the 2009-2011 biennium, the number of beds for residential treatment services at the Desert Willow Treatment Center could increase to 56.

Mr. Dale clarified his answer to Assemblywoman McClain's earlier question concerning the reversion of funds and the additional bonding authority from the cancelation of CIP project 07-C26 for the addition to the Desert Willow Treatment Center by noting that the extra amount of bonding availability was already recognized in the 2009 Capital Improvement Program.

Assemblywoman Leslie questioned the advisability of moving children from the acute-care units at the Desert Willow Treatment Center to the Stein Hospital.

Harold Cook, Ph.D., Administrator, MHDS, advised that the Stein Hospital was licensed as an acute-care facility and that the second floor of the facility was currently being used to provide acute-care services to adults. Dr. Cook indicated that although he would prefer not to use the facility for children, it was available and with some renovations and plumbing work, the facility would function as an acute-care facility for both adults and children.

Assemblywoman Leslie questioned whether federal regulators would agree with the provision of services to children on the first floor and adults on the second floor.

Dr. Cook advised that MHDS and DCFS staff members were working together to address modifications that were needed and procedural issues to ensure "constant separation between the two populations."

Assemblywoman Buckley also questioned whether federal law would prohibit serving two populations in the same facility and why funding was being reverted if there was any uncertainty regarding whether the renovations being made were suitable for children.

Dr. Cook indicated it was his understanding that federal law did not disallow mixing the populations in the same building as long as they were separated; however, he indicated he could not answer the funding question.

Assemblywoman Buckley asked for deferral of the item to provide the Committee additional time to review the issue.

Ms. Comeaux commented that as previously indicated by Mr. Nuñez, the Director of the Department of Health and Human Services had committed to using existing funds within

the Department to pay for the additional renovations that were needed. Additionally, Ms. Comeaux said that after extensive discussions with Mr. Nuñez regarding renovating the Stein Hospital with CIP funding, she learned that it was not possible to take money from one project and move it to another.

Mr. Nuñez confirmed that the Public Works Board could not move the CIP funding for the addition to the Desert Willow Treatment Center and create a new project to renovate the Stein Hospital, but he advised that funding was available from an approved CIP maintenance project to renovate the bathrooms at the Stein Hospital.

Assemblywoman Buckley requested that a plan for the necessary repairs including the amount of financing available to make the facility suitable for children be made available to the Committee. Assemblywoman Buckley stated that she wanted to avoid a scenario in which the funding was wasted because the facility was unsuitable for children even after the renovations were made.

Ms. Comeaux advised that she could provide a report to the Joint Subcommittee on Human Services scheduled to meet on February 16, 2009.

Assemblywoman Buckley indicated a report to the Joint Subcommittee on Human Services would be satisfactory and deferred to the Committee's staff on whether to proceed with the item or whether any of the funds could be utilized for any part of the project.

Mark Stevens, Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that if the Committee wished to defer the request, staff could review the information provided by the SPWB and DCFS. Mr. Stevens advised that after staff review, a report could be submitted to the Joint Subcommittee on Human Services on February 16, 2009, and a recommendation regarding the request could be provided at the next meeting of the Interim Finance Committee.

Senator Coffin commented that it was not entirely unusual for adults and juveniles to be separately housed in the same building. Additionally, Senator Coffin indicated that the \$1,000 per-square-foot cost to add only 12 beds at the Desert Willow Treatment Center was too expensive and that renovating the Stein Hospital could be used as a stopgap measure to add the needed beds. Senator Coffin agreed that while a report made available to the Joint Subcommittee on Human Services would be acceptable, he thought the Committee should move forward with the request after that.

Dr. Cook reiterated that there was no legal prohibition against housing the two populations in the same building and that the Stein Hospital was licensed as an acute-care facility and could be brought up to code with plumbing and electrical work. Additionally, Dr. Cook advised that DCFS staff had been advised by the Centers for Medicare and Medicaid Services (CMS) that the move needed to take place as quickly as possible, and he requested that both DCFS and MHDS staff be permitted to continue to work toward an eventual move.

ASSEMBLYWOMAN BUCKLEY MOVED TO DEFER ITEM G.4 TO ALLOW TIME FOR THE COMMITTEE'S STAFF TO REVIEW WHETHER TO PROCEED WITH THE ITEM OR WHETHER THE FUNDING COULD BE UTILIZED FOR ANY PART OF THE PROJECT.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Hardy was not present for the vote.)

Senator Coffin and Assemblywoman Buckley discussed taking a Saturday tour of the Stein Hospital.

Cochair Mathews asked that the legislators return with photos and a report.

5. Request to cancel CIP Project 07-M42, Shower and Bathroom Renovation at Silver Springs Conservation Camp, due to closure of the camp and revert \$2,588,271 to the Bond Interest and Redemption account.

Gustavo Nuñez, P.E., Manager, State Public Works Board (SPWB), appeared before the Committee to request approval to cancel Capital Improvement Program (CIP) Project 07-M42, Shower and Bathroom Renovation at the Silver Springs Conservation Camp and revert \$2,588,271 to the Bond Interest and Redemption account. Mr. Nuñez advised that because of a decline in the female inmate population, the Department of Corrections had closed the Silver Springs Conservation Camp.

Cochair Horsford stated that the closing or opening of correctional facilities could not be deliberated upon until receipt of a plan from the Department of Corrections.

COCHAIR HORSFORD MOVED TO REFER ITEM G.5 TO THE JOINT SUBCOMMITTEE ON PUBLIC SAFETY, NATURAL RESOURCES, AND TRANSPORTATION UNTIL RECEIPT OF THE DEPARTMENT OF CORRECTIONS' PLAN CONCERNING THE CLOSING OR OPENING OF CORRECTIONAL FACILITIES

ASSEMBLYWOMAN MCCLAIN SECONDED THE MOTION;

THE MOTION CARRIED (Senator Hardy was not present for the vote.)

6. Information on gravesites related to CIP Project 07-C20, State Department of Agriculture Headquarters and Laboratory Building.

Gustavo Nuñez, P.E., Manager, State Public Works Board (SPWB) advised that the contractor for Capital Improvement Program (CIP) Project 07-C20, State Department of Agriculture Headquarters and Laboratory Building, had reported that no additional verifiable human remains had been encountered. Additionally, Mr. Nuñez advised that Harold Cook, Ph.D., Division of Mental Health and Developmental Services (MHDS), was available to provide a report on the regulation process to handle reinternments.

There were no questions from the members of the Committee.

7. Information regarding the CIP Project Exception Report pursuant to NRS 341.100 (8) (g).

Gustavo Nuñez, P.E., Manager, State Public Works Board (SPWB), provided the following information concerning the Capital Improvement Program Project Exception Report:

- The Committee, earlier in the hearing, approved Item G.2 to revert \$192,093 to the General Fund from CIP Project 05-U7L, Campus Improvements-Truckee Meadows Community College, to accommodate budget reductions
- The Committee, earlier in the hearing, deferred Item G.4 to cancel CIP Project 07-C26, Desert Willow Treatment Center Addition and to revert \$9,830,998 to the Bond Interest and Redemption Fund.
- The SPWB was waiting for the receipt of federal funding before proceeding with CIP Project 07-C27, Civil Support Team WMD Readiness Building.
- The Committee, earlier in the hearing, approved Item G.3 to reduce the scope of CIP Project 07-C52, Northern Nevada Emergency Vehicle Operations Course to the design phase only and not to proceed with construction.
- The bids for CIP 07-M10, Templifier, Heat Pump and Water Heater Replacement for the Department of Corrections, Southern Desert Correctional Center, were under review and pending award.
- The Committee, earlier in the hearing, deferred the request to cancel CIP Project 07-M42, Shower and Bathroom Renovation at Silver Springs Conservation Camp to the following Interim Finance Committee hearing.
- The Office of Veterans Services requested that the SPWB place CIP Project 07-P05, Veterans Cemetery Expansion on hold waiting for federal government approval of the schematic design.
- The design for CIP Project 007-P06, Elko Readiness Center – Planning was put on hold based on the proposed conversion of the Carlin Fire Science Academy to a readiness center.

8. Information regarding Project Status Report: Project 01-C15 - Planning, Design and Utility Infrastructure for Science and Engineering Complex, UNLV; Project 03-C23 – UNLV Science, Engineering and Technology Complex Construction; and Project 05-C06 – Construction of Science, Engineering and Technology Complex at UNLV.

Gustavo Nuñez, P.E., Manager, State Public Works Board (SPWB), reported that the Project for the University of Nevada, Las Vegas (UNLV) Science, Engineering, and Technology Complex, included funding from the 2001, 2003, 2005, and 2007 Capital Improvement Programs. Mr. Nuñez reported that all projects for the complex were completed with the exception of furniture, fixtures, and equipment (FF&E). Additionally, Mr. Nuñez reported that a claim for liquidated damages against Sletten Construction Company could not be supported, and, therefore, no claim for damages was made.

9. Information regarding the project status report for CIP Project 07-C02 – Las Vegas Springs Preserve Museum, construction funding shortfall and Question 1 bond funds for original museum project.

Gustavo Nuñez, P.E., Manager, State Public Works Board (SPWB), introduced Mike Fischer, Director, Department of Cultural Affairs (DCA). Mr. Fischer reported being unsuccessful in securing private donations for the construction of exhibits for the Las Vegas Springs Preserve Museum.

Assemblywoman Buckley asked whether the DCA's \$6.3 million cost estimate for the construction of exhibits was accurate and what length of time it would take to build the exhibits.

Mr. Fischer confirmed the accuracy of the \$6.3 million construction cost and advised that staff were attempting to find ways to save money without adversely affecting the exhibit package. Additionally, Mr. Fischer advised that it would take approximately 13 months from the time the bonds were sold to construct the exhibits.

Assemblywoman Buckley asked for the date it was anticipated that the Las Vegas Springs Preserve Museum's operating and utility costs would become the responsibility of the state.

Mr. Nuñez advised that the state would typically assume responsibility for utilities upon substantial completion of a project.

Peter Barton, Acting Administration, Division of Museums and History, advised the members of the Committee that the turnover date to the state was projected to be March 27, 2009.

Assemblywoman Buckley asked whether the necessary funding had been budgeted to cover the utility costs in the current fiscal year.

Mr. Barton reported that utility costs for the 78,000 square-foot building were budgeted at \$73,000 unoccupied and estimated annually at \$204,000 during full occupancy.

Assemblywoman Buckley asked Department and Division representatives to work with the Committee's staff to determine the costs from the point of substantial completion through the next biennium as well as how the estimates would change if the Legislature approved the construction of the exhibits.

H. INFORMATIONAL ITEMS

Cochair Mathews announced that the Committee would hear testimony pertinent to the following informational items:

Department of Health and Human Services Items 7a (2); 7c (4); 7c (5); and Department of Public Safety – Parole and Probation Item 8. Refer to [Exhibit C](#) to review the entire list of Item H Informational Items.

7. DEPARTMENT OF HEALTH AND HUMAN SERVICES

a. Division of Health Care Financing and Policy

- (2) Report on the status of uncompensated hospital care percentages for those counties with populations of 100,000 or greater, pursuant to NRS 422.2728.

Charles Duarte, Administrator, Division of Health Care Financing and Policy (HCFP), Department of Health and Human Services (DHHS), appeared before the Committee to present information on the Division's 2008 report on the cost of uncompensated care. Mr. Duarte advised that the report was developed pursuant to *Nevada Revised Statutes* (NRS) 422.3807 that required the HCFP to report the percentage of uncompensated care derived from an average of the total revenue for hospitals in Clark and Washoe counties.

Mr. Duarte reported the following percentages of uncompensated care:

- o Clark County – 9.9 percent
- o Washoe County - 7.7 percent.

Assemblywoman Leslie questioned the accuracy of the 31.74 percent figure in uncompensated care cost reported for the University Medical Center of Southern Nevada and asked how the proposed reduction in hospital reimbursements would affect uncompensated care costs.

Mr. Duarte confirmed the accuracy of the 31.74 percent figure and advised that the reduction in hospital reimbursement would increase uncompensated care costs for some hospitals although he could not project by how much.

7. DEPARTMENT OF HEALTH AND HUMAN SERVICES

c. Division of Welfare and Supportive Services

- (4) Report on the implementation of federal SSI payment increases scheduled for calendar year 2008 (letter of intent, 2007 Legislature).

Romaine Gilliland, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services, appeared before the Committee to report on the implementation of federal SSI payment increases.

Mr. Gilliland advised that the SSI payment increase totaled \$37 for 2009 with \$6 applied to personal care needs and the \$31 balance applied to group-care operators.

In response to Assemblywoman McClain, who questioned the total amount provided for personal care needs, Mr. Gilliland advised that clients would retain \$110 for personal care needs in 2009.

7. DEPARTMENT OF HEALTH AND HUMAN SERVICES

c. Division of Welfare and Supportive Services

- (5) Status of the transfer of \$145,792 from the City of Las Vegas in order to keep the Owens District Office open through June 30, 2009, as approved by the Committee at the August 14, 2008, meeting.

Romaine Gilliland, Administrator, Division of Welfare and Supportive Services (DWSS), Department of Health and Human Services (DHHS), appeared before the Committee to report on the status of the transfer of \$145,792 from the City of Las Vegas that would keep the Owens District Office open through June 30, 2009.

Mr. Gilliland reported that after working with City of Las Vegas representatives, he expected to receive the \$145,792 or a large portion of the funding within the next 30 to 60 days.

Cochair Horsford questioned whether there were other partners in Las Vegas that were involved in the transfer of funds to keep the Owens Office open

Mr. Gilliland advised that the Boys and Girls Club of Las Vegas was being utilized to help facilitate the transfer of funds. Specifically, Mr. Gilliland advised that the City of Las Vegas would "reimburse the Boys and Girls Club for expenditures customarily reimbursed by the Director's office, DHHS, which in turn would make General Funds available for reversion by the Director's office on behalf of the Division of Welfare and Supportive Services."

Cochair Horsford requested information on the plan going forward since, because of budget reductions, the Owens District Office was recommended to be closed with a transfer of cases to other Welfare offices.

Mr. Gilliland advised that two elements in the budget needed to be considered: Decision Unit M200 Demographics/Caseload Changes, a request for increased staffing based on projected caseload increase, and Decision Unit E610 Staffing and Operating Reductions, a request to close the Owens District Office as of July 1, 2009. Mr. Gilliland advised that if Decision Unit M200 was approved, Decision Unit E610 would be combined with Decision Unit M200 for a net economic effect. If approved, Mr. Gilliland said the Owens District Office would not close.

Cochair Horsford asked whether the Owens District Office would be funded by the Division of Welfare and Supportive Services if it did not close.

Mr. Gilliland confirmed that should the Owens District Office remain open, funding would be budgeted through the Division.

8. DEPARTMENT OF PUBLIC SAFETY – Parole and Probation – Report on the National Council on Crime and Delinquency, Presentence Investigation Workload Study pursuant to A.B. 628;, Section 38, (2007 Legislature).

Mark Woods, Deputy Chief, Division of Parole and Probation, appeared before the Committee to report on the National Council on Crime and Delinquency Presentence Investigation Workload Study.

Chief Deputy Woods reported that the study took into account the northern, southern, and rural commands statewide, and workload study findings showed that although the Division's court investigation was adequately staffed, the Northern Command was understaffed by four full-time equivalent positions, the Southern Command was overstaffed by seven positions, rural offices were understaffed by two full-time equivalent positions, and the agency-wide total indicated a one-position overstaffing.

Chief Deputy Woods advised that because of budget reductions for fiscal year 2009, the Division of Parole and Probation had relinquished five positions and currently had three vacant positions.

I. PUBLIC COMMENT

There was no public comment.

J. ADJOURNMENT

Cochair Horsford adjourned the hearing at 10:55 a.m.

Senator Mathews, Cochair
Interim Finance Committee

Senator Horsford, Cochair
Interim Finance Committee

Lorne Malkiewich, Director
Legislative Counsel Bureau and Secretary
Interim Finance Committee

EXHIBITS INTERIM FINANCE COMMITTEE		
Exhibit	Witness/Agency	Description
A		Agenda
B		Guest List
C		Informational Items
D	Provided by Fiscal Analysis Division, Legislative Counsel Bureau	Contingency Fund Report
E		
F		