



NEVADA LEGISLATURE
TASK FORCE FOR THE FUND FOR A HEALTHY NEVADA
(Nevada Revised Statutes [NRS] 439.625)

SUMMARY MINUTES AND ACTION REPORT

The sixth meeting of the Nevada State Legislature's Task Force for the Fund for a Healthy Nevada was held on Tuesday, October 3, 2006, at 10 a.m., in Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. A copy of this set of "Summary Minutes and Action Report," including the "Meeting Notice and Agenda" ([Exhibit A](#)) and other substantive exhibits, is available on the Nevada Legislature's Web site at www.leg.state.nv.us/73rd/Interim. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (e-mail: publications@lcb.state.nv.us; telephone: 775/684-6835).

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Senator Maurice E. Washington, Chair
Senator Joseph J. Heck
Assemblywoman Kathy McClain
Dr. John Ellerton
Dr. Elizabeth Fildes
Greg Griffin

COMMITTEE MEMBERS EXCUSED:

Thomas May
Carla Sloan
Dr. Paul Stewart

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Barbara S. Dimmitt, Senior Research Analyst, Research Division
Sara Partida, Deputy Legislative Counsel, Legal Division
Richard S. Combs, Program Analyst, Fiscal Analysis Division
Jeannie Claussen, Senior Research Secretary, Research Division

OPENING REMARKS

- Chairman Washington called the meeting to order at 10:41 a.m., and asked the secretary to call roll. He noted an error in the agenda previously distributed and stated an asterisk was noted in the “Public Comments” section. He explained an asterisk indicates an action item; however, no action can be taken on comments from the public.

PRESENTATION OF THE RESULTS OF THE GRANT-FUNDED 2006 SENIOR SURVEY CONDUCTED BY THE CANNON SURVEY CENTER, UNIVERSITY OF NEVADA, LAS VEGAS (UNLV)

- Pamela S. Gallion, Director, Cannon Survey Center, UNLV, discussed the results of a statewide survey to provide empirical data about Nevadans over the age of 50 ([Exhibit B](#)). She stated that data was tabulated by segments of the over-50 age group, to capture differences between younger and older seniors. The survey gave particular attention to the health issues seniors are or may be facing, including perceptions of health status; the incidence of smoking; the occurrence of chronic illness; the number and cost of medical visits; and the status of health insurance coverage.

Ms. Gallion described some of the other data resulting from the survey, including: church attendance; number of casino visits; personal computer and Internet access; the number of seniors providing care for people over the age of 60; statistics on crime, identity theft, and consumer fraud. She indicated the State demographer estimated there were 720,000 Nevadans over the age of 50, and the survey indicated that 16 percent of Nevadans over the age of 60 live on less than \$20,000 annually. Stating statistical data, she explained that 52 percent of Nevadans over 50 are being treated for a chronic illness, 24 percent reported being in poor or fair health, and 17 percent of people over 50 have delayed seeking health care because of cost. She also noted that 49 percent of individuals not seeking medical, dental, or vision care because of the expense are between the ages of 50 and 59. The survey indicated that potentially 43,354—6 percent of Nevadans over age 50—are uninsured. Ms. Gallion pointed out that 83 percent of these uninsured seniors were under age 65, with half of them age 56 or under. The younger uninsured seniors face a potential gap of nine to 15 years before they are eligible for Medicare. A detailed report summarizing the results of the survey may be viewed at the following UNLV Web site [http://surveys.unlv.edu/pdfs/Final%20Report%20\(Short%20Version\).PDF](http://surveys.unlv.edu/pdfs/Final%20Report%20(Short%20Version).PDF)

- Assemblywoman McClain commented that the largest portion of seniors currently smoking were in the age groups of 50 to 59. She expressed her support for funding surveys to obtain this type of baseline information, which is needed to determine trends for the “boomers.”

PRESENTATION OF A REPORT ON INDEPENDENT LIVING GRANTS ALLOCATED BY THE AGING SERVICES DIVISION, DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS), FOR FISCAL YEAR (FY) 2006 AND FY 2007

- Carol Sala, Administrator, Division for Aging Services Division, DHHS, submitted the “Independent Living Grants (ILGs) Annual Report for FY 2005,” ([Exhibit C](#)). She noted that grant funding played an integral part in allowing Nevada senior citizens to maintain

their independence. In her testimony, Ms. Sala discussed the way the Division had attempted to shift other funds to adjust to the decrease in tobacco revenues. She included a spreadsheet showing funding for ILG programs for FY 2006 and FY 2007. See [Exhibit D-1](#) for the written testimony of Ms. Sala and [Exhibit D-2](#) for the spreadsheet that displays the ILG programs.

She explained that, unlike the Task Force's two-year grant cycle based on the State fiscal year, the Division's ILG grant cycle conforms to the federal fiscal year, which begins on October 1 of each year and ends on September 30 of the following year.

- Dr. Fildes asked Ms. Sala how the Division ensures delivery of quality services for the ILG programs. Ms. Sala responded the Grant Management Unit (GMU) has five resource development specialists who perform statewide program assessments to monitor the grantees. She also stated there are two auditors in the Fiscal Unit of the GMU to conduct fiscal audits of the programs and provide technical assistance.

REPORT ON THE EXPENDED AND UNEXPENDED FUNDS FOR THE FY 2005/FY 2006 GRANT CYCLE

- Kathy P. Brown, Social Services Program Specialist III, GMU, DHHS, presented a spreadsheet detailing the expended and unexpended funds for FY 2005 and FY 2006 ([Exhibit E](#)). She summarized the amounts awarded to and unspent by each grantee funded under the "Disability Services," "Children's Health," and "Tobacco Grant" categories. The total amount awarded for FY 2006, including carryover funds from FY 2005, was \$8,294,017, and the total unspent funds for categories for FY 2006 were \$227,338.
- Senator Heck asked what would happen to the unspent funds for FY 2006. Ms. Brown replied that for FY 2006 the GMU recommended the Task Force not allocate these unobligated funds until the amount paid to the State in April 2007 by the tobacco manufacturers participating in the Master Settlement Agreement has been determined.

REPORT ON THE REVISED UNOBLIGATED BALANCE FOR THE FY 2007/FY 2008 GRANT CYCLE

- Richard S. Combs, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), referred to a memorandum dated September 27, 2006 ([Exhibit F-1](#)), and a spreadsheet on the unobligated balances in the Healthy Nevada Fund for the FY 2007/FY 2008 grant cycle ([Exhibit F-2](#)). He reported unobligated balances for the "Tobacco Use Grants" category of \$142,416 in both FY 2007 and FY 2008. The unobligated balances for the "Children's Health Grants" category totaled \$44,976 in each of these fiscal years. The "Disability Services Grants" category have unobligated balances of \$140,662 in FY 2007 and \$137,345 in FY 2008.

Mr. Combs recommended the Task Force reserve these unobligated balances until the actual amount the tobacco manufacturers pay the State in April 2007 is known. He said if these payments are sufficiently below projected amounts the Task Force used when allocating the grants, the balances would be in the negative.

REPORT ON FISCAL MANAGEMENT ISSUES CONCERNING AN ALLOCATION FOR THE FY 2007/FY 2008 GRANT CYCLE FOR THE TOBACCO FREE BABIES PROJECT

- Mary Liveratti, Deputy Director, DHHS, summarized the chronology of problems with the Tobacco Free Nevada-Tobacco Free Babies Project ([Exhibit G](#)). She explained that in May 2006, the Task Force approved a grant for the project with Healthsmart, which subsequently disbanded as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code. At the July 13, 2006, meeting of the Task Force, the members voted to approve a proposal that the Carson City Environmental Health Department (CCEHD) take over as the fiscal manager for the grant. However, in August 2006, the CCEHD withdrew its offer of fiscal management. Other arrangements were investigated. In conclusion, Ms. Liveratti stated that the United Way of Southern Nevada (UWSN) was interested in managing the grant and was requesting \$5,000 to conduct evaluations. She asked the Task Force to determine if the grant should proceed under these conditions.
- Daren Winkelman, Health Director, Carson City Health and Human Services (CCHHS), explained why the CCEHD could not continue in the role of fiscal manager. He stated there were obstacles in the hiring process for new employees and independent contractors.
- Sher Todd, Ph.D., Program Manager, Tobacco Free Babies Project, Washoe Pregnancy Center, stated that the \$5,000 would allow the UWSN to pay Frank DiPuma, Ph.D., Institutional Research Director, Community College of Southern Nevada, to collect data and prepare grant reports for the Task Force.
- Assemblywoman McClain questioned the expenditure of \$30,000 that was awarded in July and asked what the project has accomplished. Dr. Todd responded that 738 new mothers have been enrolled since July and provided services to 3,300 mothers annually. She stated the program trains health care providers to: (1) assess tobacco use and exposure; (2) conduct interventions and refer pregnant women who smoke to appropriate services; and (3) develop a documented plan to provide a smoke-free environment for the infant and nonsmokers in the home. In addition, she mentioned a forthcoming program, Operation Tobacco Free Nevada, which will involve a health care partnership program with Arizona to provide training to health care providers throughout the State. She noted that the project intended to train providers on a statewide basis, which was one reason to partner with UWSN.
- Dr. Ellerton said he was concerned about transferring \$5,000 from the “Provided Services” category to the “Administrative Costs” category and would need more information in order to vote on the proposal.
- Dr. Todd added that a portion of the money allocated for the health care partnership would pay Dr. DiPuma. She also mentioned she had applied for a \$25,000 grant from the March of Dimes to make up the difference. The funding would purchase educational materials for the providers and certificates for those people trained in basic skills and as instructors.

- John A. Johnson, Director of Grant Accounting, UWSN, explained that the UWSN manages over \$20 million in State grants and stated it was important to protect the integrity of its reputation for ensuring proper management of grant funds. He stated if the UWSN was approved as the fiscal agent, they would need to oversee the activities in northern Nevada.

Discussion ensued regarding the proposal to contract with the UWSN as a fiscal intermediary, including allocating \$5,000 for evaluation as described by Mr. Johnson. Members expressed concern the \$5,000 would increase total administrative costs above the statutory 8 percent cap for Healthy Nevada grants.

- Laura Hale, Chief, GMU, DHHS, in response to a question from the Chairman said the GMU considered the kind of evaluations being conducted by Battelle Centers for Public Health Research and Evaluation to be program expenses. She added that, while she was not present for all of Mr. Johnson's explanation of how the \$5000 would be used, the activities contemplated appeared more administrative in nature.
- Mr. Johnson stated that the \$11,000 in administrative funds was to be used for the administrator and the fiscal portions and travel expenses for the community development director to travel to northern Nevada to monitor the program. If \$5,000 were taken from the \$11,000, there would not be enough money to cover those expenses.

Task Force members discussed the possibility of contracting with United Way of Northern Nevada (UWNN) or another entity to manage the project. Mr. Johnson noted the UWNN did not have a Chief Executive Officer. Dr. Todd mentioned that other entities were also contacted, but declined for various reasons. The March of Dimes did express an interest in the project, but could not assume responsibility for another month.

- Chairman Washington asked Sara Partida, Deputy Legislative Counsel, Legal Division, LCB, if the \$5,000 would necessarily be subject to the 8 percent cap on administrative expenses. Ms. Partida stated that authorizing expenditure of the \$5,000 for activities that could be substantiated as direct costs would be acceptable under the statute. However, an expenditure of the funds for administrative costs or indirect costs would be subject to the 8 percent cap.

There was discussion about the difference between a direct cost and an indirect cost.

- Ms. Hale explained that direct costs are costs that can be directly associated with a specific grant program, and indirect costs are those types of overhead that fund multiple programs. She added that if one could substantiate with documentation that time was spent specifically on this grant and was not part of collective oversight of multiple grants, it could be a direct cost associated with this program.
- Mr. Combs stated that based on the last nine months of the fiscal year, \$161,824 remained from the grant for the Tobacco Free Babies Project. He also indicated there was an available balance of \$1,039 for administrative expenses under the 8 percent cap for the remaining nine months of the fiscal year.

- Mr. Johnson, previously identified, stated the UWSN was asking only to move money from one consultant fee to another for activities categorized as direct costs.
- Chairman Washington requested that Ms. Hale confirm whether the purpose to be funded by the \$5,000 would be a direct cost and to provide a copy of her report to the members of the Task Force.

- The Task Force **TOOK THE FOLLOWING ACTION:**

ASSEMBLYWOMAN MCCLAIN MOVED TO GRANT UNITED WAY OF SOUTHERN NEVADA \$5,000 TO ASSESS THE TOBACCO FREE NEVADA-TOBACCO FREE BABIES PROJECT. DR. FILDES SECONDED THE MOTION. THE MOTION FAILED WITH SENATOR HECK, DR. ELLERTON, AND MR. GRIFFIN VOTING NAY.

- The Task Force **TOOK THE FOLLOWING ACTION:**

SENATOR HECK MOVED TO CLOSE OUT THE TOBACCO FREE NEVADA-TOBACCO FREE BABIES PROJECT AND REVERT THE BALANCE TO THE UNOBLIGATED BALANCE TO BE RESERVED FOR FUTURE USE. DR. ELLERTON SECONDED THE MOTION.

- During discussion on the motion, Dr. Fildes said the Tobacco Free Nevada-Tobacco Free Babies Project is a good program that should be continued.
- Senator Heck concurred with Dr. Fildes, but expressed concern that the program was now three months into the grant cycle with a third potential fiscal manager under consideration. He also said he was not comfortable with calling the \$5,000 requested by the UWSN a direct expense.
- Assemblywoman McClain said she recalled hearing about another organization that considered taking over as fiscal manager of the program.
- In response to Assemblywoman McClain's recollection, Dr. Todd stated that the American Cancer Society (ACS) would have been willing to assume the role of fiscal administrator, but not if it were required to enter into a separate grant contract. The ACS wanted to fold the new responsibilities into the existing grant it uses to support certain activities of the Nevada Tobacco Prevention Coalition (NTPC). Dr. Todd said she had favored this option, but understood, perhaps mistakenly, from conversations with the GMU staff that a separate grant would be required.
- Ms. Hale said the GMU can amend grants when circumstances warrant. She noted that the existing ACS grant does not involve direct services or training as does the grant for the Tobacco Free Nevada-Tobacco Free Babies project. Ms. Hale explained that the ACS grant could be amended to designate ACS as the fiscal administrator for the Tobacco Free Nevada-Tobacco Free Babies Project, as long the cost of carrying out these new responsibilities would not exceed the administrative cap. She also stated that 30 days

would give the GMU staff enough time to discuss this option with the ACS and amend the grant contract.

- Chairman Washington entertained a motion to amend Senator Heck's motion.
- The Task Force **TOOK THE FOLLOWING ACTION:**

SENATOR HECK MOVED TO AMEND HIS MOTION TO ALLOW 30 DAYS TO TRANSFER FISCAL AGENT RESPONSIBILITIES FOR THE TOBACCO FREE NEVADA-TOBACCO FREE BABIES PROJECT TO THE AMERICAN CANCER SOCIETY AND TO AMEND THE SOCIETY'S CURRENT GRANT TO REFLECT THE CHANGE. IF THE TRANSFER FAILS, THE TOBACCO FREE BABIES PROJECT WILL BE PHASED OUT, FUNDS PAID FOR SERVICES RENDERED, AND THE BALANCE REVERTED BACK TO THE UNOBLIGATED FUND. DR. ELLERTON SECONDED THE MOTION, WHICH PASSED UNANIMOUSLY.

REPORT ON THE STATUS OF GRANTEES FOR THE FY 2007/FY 2008 GRANT CYCLE, INCLUDING UPDATES ON THE PROGRAM IMPLEMENTATION PLANS OF CERTAIN GRANTEES

- Kathy P. Brown, previously identified, presented the status of the grantees for the FY 2007/FY 2008 grant cycle, including updates on the program implementation plans of certain grantees. Refer to [Exhibit H](#) for information on these recommendations.

Battelle Centers for Public Health Research and Evaluation (Concerning Evaluation of and Technical Assistance for Grant-Funded Tobacco Programs and the Conducting of a Statewide Survey of Adult Tobacco Use)

- Ms. Brown provided an update of a meeting conducted in August 2006 with Ms. Hale and Battelle Centers. Ms. Brown reported that Battelle Centers started conducting on-site visits on October 1, 2006. She also noted scheduled timeframes for various reports to be submitted to the subcommittee members and the Fund for a Healthy Nevada Task Force.

Carson Advocates for Cancer Care (Concerning Financial Assistance to Needy Cancer Patients for Certain Cancer Treatment Related Costs)

- Senator Heck expressed concern that the grantee had not implemented several staff recommendations. He asked Ms. Brown to follow up on these recommendations and give the Cancer Advocates for Cancer Care 30 days to incorporate them into a written policy.
- Ms. Hale said there are procedures available to place a grantee on probation and establish timelines for meeting certain requirements. She noted that any grantee not complying with probation requirements would be brought before the members of the Task Force for consideration of grant termination.

Churchill Community Coalition (Concerning Prevention of Tobacco Use Among Young People and Cessation Treatment in Partnership with New Frontier)

- Ms. Brown stated that at the time of the July 13, 2006, meeting, Debure Carlson was the interim director. She indicated that the position has been filled by Dennis Lee, effective October 2, 2006.

Covering Kids and Families Coalition (Concerning Increasing Enrollment of Children in Nevada Check-Up and Medicaid)

- Ms. Brown reported that the transitioning of the Covering Kids and Families program from HealthInsight to the Division of Health Care Financing and Policy (DHCFP), DHHS, would be effective October 1, 2006, and would allow the grantee to maximize use of grant funds for the federal match.
- Ms. Hale noted that the Task Force had approved this transition. She said if the CKFC program operated through HealthInsight, funds spent by the CKFC to provide services could not serve as a federal match to attract more federal funds to Nevada.
- Assemblywoman McClain stated her position that tobacco funds should not go into the Medicaid budget. She requested that the Task Force monitor the distribution of tobacco funds, which are not intended to subsidize the State General Fund.

State Agency Grantees Requiring Approval of the Interim Finance Committee (IFC) Prior to Issuance of Grant Awards

1. UNLV—Nevada Tobacco Users Helpline
 2. UNLV—Crackdown on Cancer
 3. UNLV—Department of Special Education
 4. University of Nevada, Reno (UNR)—Department of Psychology
 5. UNR—Center for Excellence in Developmental Disabilities
- Ms. Brown reported that the IFC approved these grants to State agencies on September 12, 2006.

CONSIDERATION OF A 2007 TIMELINE AND FUTURE MEETING DATES

- Barbara S. Dimmitt, Senior Research Analyst, Research Division, LCB, announced the Task Force would discuss future meeting plans in a joint session with the GMAC following adjournment.

PUBLIC COMMENT

- There was no public comment.

ADJOURNMENT

There being no further business to come before the Task Force, the meeting was adjourned at 12:26 p.m. Chairman Washington asked the members to remain for the joint meeting with the GMAC.

Respectfully submitted,

Jeannie Claussen
Senior Research Secretary

Barbara S. Dimmitt
Senior Research Analyst

APPROVED BY:

Senator Maurice E. Washington, Chair

Date: _____

LIST OF EXHIBITS

[Exhibit A](#) is the “Meeting Notice and Agenda” provided by Barbara S. Dimmitt, Senior Research Analyst, Research Division, Legislative Counsel Bureau (LCB).

[Exhibit B](#) is survey report titled, “University of Nevada Las Vegas, Task Force for the Fund for a Healthy Nevada, Portrait of Nevada Seniors Survey Project,” dated August 2006, submitted by Pamela S. Gallion, Cannon Survey Center, University of Nevada Las Vegas.

[Exhibit C](#) is a report titled “Division for Aging Services, Independent Living Grants Annual Report for FY 2005,” submitted by Carol Sala, Administrator, Aging Services Division, Department of Health and Human Services (DHHS).

[Exhibit D-1](#) is the written testimony of Carol Sala, Administrator, Aging Services Division, DHHS, titled “ILG Presentation, Task Force for a Fund for Healthy Nevada,” dated October 3, 2006.

[Exhibit D-2](#) is a spreadsheet titled “Independent Living Grants for FY 2007,” dated September 22, 2006, submitted by Carol Sala, Administrator, Aging Services Division, DHHS.

[Exhibit E](#) is a table titled “Fund for a Healthy Nevada – Expended and Unexpended Funds for FY05 and FY06,” submitted by Kathy P. Brown, Social Services Program Specialist III, Grants Management Unit (GMU), DHHS.

[Exhibit F-1](#) is a memorandum to the Task Force Member, titled “Report on Revised Unobligated Balance for the FY 2007/FY 2008 Grant Cycle,” dated September 27, 2006, submitted by Richard S. Combs, Program Analyst, Fiscal Analysis Division, LCB.

[Exhibit F-2](#) is a chart titled “Fund for a Healthy Nevada—Report of Funds Received and Allocated,” submitted by Richard S. Combs, Program Analyst, Fiscal Analysis Division, LCB.

[Exhibit G](#) is a document titled “Tobacco Free Babies Project/Operation Tobacco Free Nevada AKA Healthsmart Event Timeline,” submitted by Mary Liveratti, Deputy Director, DHHS.

[Exhibit H](#) is a report titled “Report on the Status of Grantees for the FY 2007/FY 2008 Grant Cycle, Including Updates on the Program Implementation Plans of Certain Grantees,” submitted by Kathy P. Brown, Social Services Program Specialist III, GMU, DHHS.

This set of “Summary Minutes and Action Report” is supplied as an informational service. Exhibits in electronic format may not be complete. Copies of the complete exhibits, other materials distributed at the meeting, and the audio record are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. You may contact the Library online at www.leg.state.nv.us/lcb/research/library/feedbackmail.cfm or telephone: 775/684-6827.