

**SENATE COMMITTEE ON FINANCE AND
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**JOINT SUBCOMMITTEE ON HUMAN SERVICES
CLOSING REPORT**

**DEPARTMENT OF HEALTH & HUMAN SERVICES
DIRECTOR'S OFFICE**

The Subcommittee has completed its review of the Department of Health and Human Services Director's Office budgets and has made the following recommendations for the 2015-17 biennium budget. The closing recommendations of the Subcommittee resulted in General Fund savings of \$6,434 in FY 2016 and \$5,673 in FY 2017. The following comments describe the more significant recommendations of the Joint Subcommittee.

Administration (101-3150) DHHS DIRECTOR-13: The Subcommittee recommended approval of the Governor's recommendation for a new Information Technology position to serve the main office in Carson City and six satellite offices. The Subcommittee recommended approving the Governor's recommendation to change the funding for the Tribal Liaison position from federal Public Health Preparedness grant funds to General Fund appropriations totaling \$165,976 over the 2015-17 biennium, based on the realignment of the duties of the position.

The Subcommittee also recommended the Executive Budget Office and the agency to explore cost allocation methods to support department-wide services provided by the Director's Office, and include those methods in the

agency 2017-19 budget submittal. The Subcommittee recommended approving the remainder of the Administration budget as recommended by the Governor.

Grants Management Unit (101-3195) DHHS DIRECTOR-25:

The Subcommittee recommended approving \$17.4 million in tobacco settlement funds for allocation to subgrantees by the Grants Management Unit in accordance with the DHHS Director's spending plan and as recommended by the Governor. Specifically, the approved plan allocates tobacco settlement funds for the Grants Management Unit over the 2015-17 biennium as follows:

- \$800,000 for Suicide Prevention
- \$4.6 million for Food Security
- \$700,000 for Immunization
- \$1.4 million for the Nevada 2-1-1 System
- \$2.8 million for Differential Response
- \$2.9 million for Family Resource Centers
- \$3.2 million for Disability Grants
- \$970,525 for Administrative Costs

The Subcommittee also recommended approval of the Governor's recommendation for a part-time Social Services Program Specialist position to serve as the statewide Nevada 2-1-1 coordinator. Position and operating costs total \$103,284 over the biennium, which would be supported with tobacco settlement funds. The Subcommittee

recommended approving the remainder of the Grants Management Unit budget as recommended by the Governor.

Consumer Health Assistance (101-3204) DHHS DIRECTOR-35: The Subcommittee recommended approval of the Governor's recommendation to eliminate one Ombudsman position previously supported with federal grant funds and retain three Ombudsman positions. The three retained Ombudsman positions were previously supported by federal grant funds and a transfer from the Silver State Health Insurance Exchange. When those funds expired in FY 2015, the Interim Finance Committee approved tobacco settlement funds to continue the positions for the remainder of this fiscal year.

To support the positions during the 2015-17 biennium, the Governor recommended and the Subcommittee recommended approving a combination of tobacco settlement funds, a transfer of grant funds from the Behavioral Health Administration budget, and a transfer of funds from the Health Facilities Hospital Licensing budget. Position and operating costs for the three Ombudsman positions total \$703,697 over the 2015-17 biennium. Based on the sporadic funding for the Ombudsman positions for the past several years, the Subcommittee recommended a letter of intent directing the agency to report to the Interim Finance Committee on or before February 1, 2016, to identify efforts made and recommendations for funding sources to support the Ombudsman positions in future biennia. The Subcommittee recommended approving the remainder of the Consumer Health Assistance budget as recommended by the Governor.

Public Defender (101-1499) DHHS DIRECTOR-45: As a result of the opting out by Eureka and White Pine counties from using the services of the State Public Defender's Office, the Subcommittee recommended approving the Governor's amended budget to eliminate the State Public Defender's Ely Office, including the elimination of four full-time, filled positions. The elimination of the Ely Office resulted in reduced revenue and expenditures totaling \$452,621 in FY 2016 and \$449,606 in FY 2017. With the elimination of IT contract costs of \$2,464 in each year of the biennium due to the approval of an IT position in the Administration budget, the total General Fund savings for the budget is \$8,370 in FY 2016 and \$7,403 in FY 2017. The Subcommittee recommended approving the remainder of the Public Defender budget as recommended by the Governor.

The Subcommittee also recommended approving technical adjustments noted by staff, and authorized Fiscal staff to make other technical adjustments to the DHHS Director's Office budgets that may be necessary.

Department of Health & Human Services
Director's Office

General Fund Impacts of Subcommittee Closing

Page	Budget	Title	FY 2016	FY 2017
AS CLOSED BY SUBCOMMITTEE:				
DHHS-DO	101-3150	DHHS-Director's Office Administration	\$ 1,936	\$ 1,730
DHHS-DO	101-3195	*DHHS-Director's Office Grants Management Unit	\$ -	\$ -
DHHS-DO	101-3204	*DHHS-Director's Office Consumer Health Assistance	\$ -	\$ -
DHHS-DO	101-1499	DHHS-Director's Office Public Defender	\$ (8,370)	\$ (7,403)
			\$ (6,434)	\$ (5,673)
* No General Fund impact				

Title: HHS-DO - ADMINISTRATION
 Account: 101 - 3150

Budget Page: DHHS-DIRECTOR-13, Volume II

Revenues	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
FEDERAL FUND	2,171,574						
GENERAL FUND	1,122,757	1,177,800	4.90	1,381,438	17.29	1,385,904	0.32
INTERAGENCY TRANSFER	769,171	357,869	(53.47)	307,545	(14.06)	379,144	23.28
OTHER FUND	50						
REVERSIONS	(3,082)						
Total Revenues	4,060,470	1,535,669	(62.18)	1,688,983	9.98	1,765,048	4.50
Total FTE		16.00		17.00		17.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	00	2501	Adjust for Silvernet Charges - Tier 1	1,936	1,730
Sub-total				1,936	1,730
Line Item Changes to Revenues				1,936	1,730

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
M100	26	7000	Adjust for Silvernet Charges - Tier 1	1,936	1,730
Sub-total				1,936	1,730
Line Item Changes to Expenditures				1,936	1,730
Total				0	0
Grand Total General Fund Impact of Closing Changes				1,936	1,730

Overview

The Department of Health and Human Services (DHHS) Director's Office is responsible for coordinating all departmental programs, overseeing the department's budgets and providing technical assistance to the various divisions within the department. In addition to the Administration budget, the Director's Office administers the following budget accounts: Grants Management Unit; Children's Trust Account; Problem Gambling; Indigent Hospital Care; Consumer Health Assistance; Developmental Disabilities; the Fund for a Healthy Nevada; and IDEA-Part C. Office staff also provide fiscal and administrative support for the Office of the State Public Defender.

The 2013 Legislature approved the transfer of the Office of Suicide Prevention from the Director's Office to the Division of Public and Behavioral Health (DPBH). The Interim Finance Committee approved the transfer of the Head Start State Collaboration and Early Childhood Comprehensive System from the DHHS Director's Office to the Department of Education commencing in FY 2015 in conjunction with the Governor's Executive Order 2013-16. With the elimination of the federal Health Information Technology grant in FY 2014, which cancelled the establishment of the Health Information Exchange for the state, no authority for federal funds is included in this budget.

For the 2015-17 biennium, the budget is supported by General Fund appropriations (80 percent) and cost allocations (20 percent) assessed to other DHHS budgets within the Director's Office. The Executive Budget recommends General Fund appropriations totaling \$2.8 million over the 2015 17 biennium, a 20.3 percent increase compared to the \$2.3 million approved for the 2013-15 biennium.

Major Closing Issues

1. New Information Technology Position
2. Change of Funding for Tribal Liaison Position

Discussion of Major Closing Issues

1. New Information Technology (IT) Position (E-225, DHHS Director-15&16): The Governor recommends \$182,891 (\$123,530 General Fund) over the 2015-17 biennium for a new IT Professional position and associated operating costs to support the Director's main office and six satellite offices throughout the state (2 Carson City, 2 Las Vegas, 1 Ely, 1 Elko). The agency indicates that currently IT services are performed by IT staff within other DHHS divisions at no charge or by contract IT services paid by other DHHS Director's Office budgets.

In support of the recommendation, the agency indicates that a dedicated IT position would allow the agency to be less dependent on the assistance of other divisions; assist the agency to operate more efficiently; experience less down-time; and alleviate delays in IT requirements. Additionally, the agency indicates that having a dedicated IT position would enable the agency to develop continuity and knowledge with various databases for the budgets within the Director's Office, including the development of reports and data pertinent to the DHHS, which currently is lost due to the use of vendors or intermittent staff. According to the agency, the management of databases, including the rebuilding and restructuring of outdated databases, would enhance and improve the utilization of database information to its maximum capacity.

Fiscal staff inquired if current charges for IT contract services or EITS services could be eliminated should the recommended IT Professional position be approved. The agency indicated that contractual IT services within the Public Defender's Office budget can be eliminated and the agency will continue to explore other cost savings, which are anticipated to be nominal. Fiscal staff has identified \$2,464 in contract IT services in each year of the biennium within the Public Defender's Office budget and seeks authority to eliminate those expenditures if the recommendation for a new IT position is approved. Based on the information provided and testimony by the agency, this decision unit appears reasonable.

Does the Subcommittee wish to approve a new IT Professional position for the DHHS Director's Office, with the \$2,464 annual IT contract reduction in the Public Defender's Office budget identified by staff?

<p>The Subcommittee recommended approving \$182,891 over the 2015-17 biennium for a new IT Professional position and associated operating costs for the DHHS Director's Office, and approved authority for Fiscal staff to reduce contract IT costs totaling \$2,464 each year from the Public Defender's Office budget.</p>

2. Change of Funding for Tribal Liaison Position (E-275, DHHS Director-16): The Governor recommends General Fund appropriations totaling \$165,976 over the 2015-17 biennium to fund the Tribal Liaison position (Health Program Specialist), which is currently supported by federal grant funds from the Centers for Disease Control (CDC) under the Public Health Preparedness (PHP) program. The agency indicates the change in funding is needed because the position no longer works solely on public health preparedness coordination and outreach with the tribes in Nevada, but rather performs work on behalf of the entire department.

Fiscal staff notes the 2013 Legislature approved the transfer of this position to the DHHS Administration budget from the Division of Public and Behavioral Health, where the position was supported 100 percent by the CDC grant funds during the current biennium. During the 2013 Session, in response to staff inquiry, the agency stated that the position focuses on PHP, and as such it was a suitable expense for PHP grant funds to support the position and operating costs. In preparation for the

budget hearing, the agency provided the following information regarding the percent of time the Tribal Liaison spends on duties assigned to the position:

Activity	Percent
Plan, develop, implement, maintain and evaluate plans for public health preparedness	25 percent
Provide technical information on health topics and participate in statewide meetings	25 percent
Research, collect and analyze health data & statistics, review plans from other states, make recommendations for program development and expansion	20 percent
Build/maintain relationships with stakeholders and Nevada Tribes	20 percent
Develop goals, objectives and program requirements	10 percent

Fiscal staff would note that based on the information provided by the agency, 25 percent of the Tribal Liaison position duties are spent on public health preparedness. Additionally, upon further inquiry the agency did not identify any specific state statutory function the position performs. Based on a review of the Catalog of Federal Domestic Assistance profile for the CDC Public Health Preparedness grant, it appears to staff that at least a portion of the duties of the position fall within the purview of the federal grant requirements.

During the budget hearing on February 6, 2015, the agency indicated they would revisit the duties of the Tribal Liaison position to determine whether a portion of the federal PHP grant funds could be utilized to support the position. Follow-up information provided by the agency indicates that the original information provided to Fiscal staff was incorrect and after further research the agency indicates that the position duties will be transitioning from public health preparedness to department-level Tribal Liaison duties to ensure the Nevada Tribes have a single point-of-contact for information, referrals, and concerns within the DHHS. The agency anticipates the position would also be responsible for coordinating requests from the Tribes with the appropriate DHHS division to ensure timely responses. The new duties outlined for the position are shown in the table below:

Activity	Percent
Tribal consultations – establish and maintain tribal consultation agreements for 27 tribes, including facilitating quarterly tribal consultation meetings	15 percent
Stakeholder collaborations – build and maintain relationships with internal and external stakeholders and the Nevada Tribes, including representing DHHS at all appropriate tribal meetings and events	40 percent
Research, collect and analyze health data and statistics, review plans from other states and federal agencies, make recommendations for program development and expansion, resource allocation	20 percent
Provide technical information and assistance regarding DHHS programs and health-related topics	25 percent

Based on the updated information provided by the agency, the Tribal Liaison position would not perform any functions related to the PHP program. Based on the department-wide level of activities of the Tribal Liaison position, it appears to Fiscal staff that the Tribal Liaison position should be cost allocated to the divisions using the services of the position. In follow up, Fiscal staff was advised that the Tribal Liaison position will be tracking the time and duties relative to the divisions and programs served.

As indicated in the Overview section of this highlight, all federal funds previously authorized for this budget have either expired or transferred and the budget is supported by a General Fund appropriation and division-wide cost allocation revenue. Fiscal staff asked whether the Executive Budget Office and the agency have considered allocating the expenditures in this budget department-wide for all divisions within the Department of Health and Human Services. Similar cost allocation plans are included in The Executive Budget for the Department of Administration, Department of Public Safety, and the Department of Business and Industry, which cost allocate the administrative costs of the Director's Office or Administration budget to the various divisions within the department.

The agency indicates that fiscal staff have recently attended training specific to cost allocation methods. Additionally, the Executive Budget Office concurs that over the 2015-17 biennium, they will be working with the agency to look at developing a budget for the 2017-19 biennium that could incorporate a cost allocation to support the department-wide services provided in this budget.

Does the Subcommittee wish to approve the change of funding for the Tribal Liaison position from federal Public Health Preparedness grant funds to General Fund appropriations?

If so, staff recommends the Subcommittee direct the Executive Budget Office and the department, during the 2015-17 biennium, to explore cost allocation methods to support department-wide services provided by the Director's Office, and to include those cost allocation methods, if appropriate, in the budget submitted for the 2017-19 biennium.

If not, the agency indicates the Tribal Liaison position would be eliminated.

The Subcommittee recommended approval of a change in funding for the Tribal Liaison position from federal Public Health Preparedness grant funds to General Fund appropriations totaling \$165,976 over the 2015-17 biennium, and also directed the Executive Budget Office and the DHHS to explore cost allocation methods to support department-wide services provided by the Director's Office, and to include those cost allocation methods, if appropriate, in the budget submittal for the 2017-19 biennium.

Other Closing Items

1. Increase in Out-of-State Travel and Training (E-228, DHHS Director-16): The Governor recommends General Fund appropriations of \$6,537 in each fiscal year of the 2015-17 biennium for increases in out-of-state travel and training. The agency indicates the increase would allow the DHHS Director to attend at least one out-of-state conference each year and provide for additional out-of-state travel as needed by the Director rather than relying on other DHHS divisions to support the Director's travel costs. **This recommendation appears reasonable.**
2. Equipment Replacement (E-710, DHHS Director-17): The Governor recommends General Fund appropriations totaling \$15,147 over the 2015-17 biennium to replace six desktop computers, three laptops, and one color printer. **This recommendation appears reasonable.**

Fiscal staff recommends the Other Closing Items be closed as recommended by the Governor, with authority for staff to make technical adjustments.

The Subcommittee recommended approval of the Other Closing Items as recommended by the Governor, with authority for staff to make technical adjustments as necessary.

Technical Adjustments

This closing sheet includes the addition of General Fund appropriations totaling \$1,936 in FY 2016 and \$1,730 in FY 2017 for SilverNet charges assessed by the Department of Administration Enterprise Information Technology Services (EITS), which were inadvertently excluded from The Executive Budget. SilverNet is the state's wide area network (WAN) used by agencies to connect agency computers and local area networks (LANs) with state programs and provide access to the Internet. Fiscal also seeks authority to make technical adjustments as needed for departmental cost allocations or due to the closing action of other DHHS budgets that impact this budget.

Title: HHS-DO - GRANTS MANAGEMENT UNIT
 Account: 101 - 3195

Budget Page: DHHS-DIRECTOR-25, Volume II

Revenues	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
BALANCE FORWARD	11,250	5,000	(55.56)				
FEDERAL FUND	17,768,260	18,221,012	2.55	17,424,150	(4.37)	17,435,994	0.07
GENERAL FUND	161,900	160,683	(0.75)	203,212	26.47	217,627	7.09
INTERAGENCY TRANSFER	644,149	577,493	(10.35)	682,371	18.16	684,321	0.29
OTHER FUND	8,123,315	9,077,561	11.75	8,803,780	(3.02)	8,708,257	(1.09)
REVERSIONS	(23,050)						
Total Revenues	26,685,824	28,041,749	5.08	27,113,513	(3.31)	27,046,199	(0.25)
Total FTE		9.00		9.51		9.51	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0
Total				0	0
Grand Total General Fund Impact of Closing Changes				0	0

Overview

The Grants Management Unit (GMU) administers, monitors and audits the following grant programs: Title XX Social Services Block grant, Community Services Block grant, Community-Based Child Abuse Prevention grant, Family Resource Centers, Differential Response, Children’s Trust Account, Problem Gambling grants, and Fund for a Healthy Nevada grants. This budget also includes the Office of Food Security and the Nevada 2-1-1 System. The Executive Budget recommends total funding of \$54.2 million (\$420,839 General Fund) over the 2015-17 biennium, a 3.2 percent decrease compared to the \$56.0 million approved for the 2013-15 biennium. The decrease is primarily due to changes in the Fund for a Healthy Nevada spending plan.

Major Closing Issues

1. Allocations from the Fund for a Healthy Nevada
2. Part-time Position for the Nevada 2-1-1 System

Discussion of Major Closing Issues

1. Allocations from the Fund for a Healthy Nevada (Base & E226, DHHS Director-25, 28): NRS 439.620 requires that the Fund for a Healthy Nevada (FHN) be administered by the State Treasurer in accordance with the Tobacco Master Settlement Agreement (MSA) of 1998. After an allocation to the Attorney General’s Office for its Tobacco Enforcement Unit and the Department of Taxation for its Compliance Unit, the Treasurer transfers 60 percent of the tobacco settlement funds from the FHN to various Department of Health and Human Services (DHHS) budgets, and the remaining 40 percent supports the Governor Guinn Millennium Scholarship Program.

The Executive Budget recommends \$17.4 million in tobacco settlement funds over the 2015-17 biennium for allocations to subgrantees from the GMU (Summary, DHHS Director-30), which is decreased from the \$18.1 million approved for the 2013-15 biennium. The decrease is primarily due to the elimination of Health Access grants over the 2015-17 biennium.

As background information, the 1999 Legislature established NRS 439.600 pursuant to the 1998 Tobacco MSA, setting forth priorities to expend tobacco settlement proceeds for the following purposes:

- (a) Increasing the number of Nevada residents who enroll in and attend a university, college or community college in the State of Nevada;
- (b) Reducing and preventing the use of tobacco products, alcohol and illegal drugs, especially by children;
- (c) Expanding the availability of health insurance and health care for children and adults in this state, especially for children and for adults with disabilities;
- (d) Assisting senior citizens and persons with disabilities who have modest incomes in purchasing prescription drugs, pharmaceutical services and, to the extent money is available, other services, including, without limitation, dental and vision services and hearing aids or other devices that enhance the ability to hear, and assisting those senior citizens and persons with disabilities in meeting their needs related to health care, home care, respite care and their ability to live independent of institutional care; and
- (e) Promoting the general health of all residents of the State of Nevada.

2015-17 Spending Plan

Pursuant to NRS 439.630, the DHHS Director is required to develop a spending plan for its portion of the distribution of tobacco settlement funds in consideration of the recommendations developed by the GMU, the Nevada Commission on Aging, and the Nevada Commission on Services for Persons with Disabilities, which are based on an annual statewide community needs assessment. A summary of the spending plan and allocations to each DHHS budget is attached to this closing document as Attachment A. The table below outlines the tobacco settlement allocations for the GMU in accordance with the DHHS Director’s spending plan:

Allocation of Tobacco Settlement Funds for the Grants Management Unit				
Grant Category	FY 2015 Revised	FY 2016 Gov Rec	FY 2017 Gov Rec	Biennium Total
Wellness Grants:				
- Suicide Prevention	\$ 500,000	\$ 400,000	\$ 400,000	\$ 800,000
- Food Security	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 4,600,000
- Immunization	\$ 500,000	\$ 400,000	\$ 300,000	\$ 700,000
- 2-1-1 Support	\$ 500,000	\$ 700,000	\$ 700,000	\$ 1,400,000
- Health Access	\$ 300,000	\$ -	\$ -	\$ -
- Differential Response	\$ 1,420,000	\$ 1,420,000	\$ 1,420,000	\$ 2,840,000
- Family Resource Centers	\$ 1,300,000	\$ 1,437,334	\$ 1,437,334	\$ 2,874,668
Disability Grants:				
- Respite	\$ 650,000	\$ 675,000	\$ 675,000	\$ 1,350,000
- Positive Behavior Support	\$ 325,000	\$ 340,000	\$ 340,000	\$ 680,000
- Independent Living Grants	\$ 325,000	\$ 579,672	\$ 579,672	\$ 1,159,344
Administration	\$ 421,982	\$ 483,024	\$ 487,501	\$ 970,525
Totals	\$ 8,541,982	\$ 8,735,030	\$ 8,639,507	\$ 17,374,537

Increase in Disability Grants

The Executive Budget recommends increased allocations for the Disability grants category (\$294,672 each year) and for the Family Resource Centers (\$137,334 each year) (E-226, DHHS Director-28-29). Testimony at the budget hearing indicated the increase is based on the statewide needs assessment.

Office of Food Security

Fiscal staff notes that Food Security was first identified by the 2012 needs assessment, which resulted in approval of a \$2.3 million allocation in each fiscal year of the 2013-15 biennium for Food Security. Based on results of the statewide steering committee on hunger and the 2012 needs assessment, the 2013 Legislature approved increasing an existing half-time position within the GMU to full-time to oversee the Office of Food Security, established within the DHHS Director's Office, and monitor the Food Security allocations to subgrantees.

The 2015-17 spending plan continues \$2.3 million each year for subgrants to address Food Security. Follow-up information provided by the agency indicates that the allocations for Food Security during the current biennium resulted in establishing seven Hunger One-Stop Shops (2 Las Vegas, 2 Reno, 3 rural-Elko, Ely, Pahrump). Subgrants during the current biennium were also used to increase access to food by establishing three more food pantries (Reno, Las Vegas, Boulder City). Of the \$2.3 million allocated for Food Security in FY 2014, the agency reports that \$2.0 million was awarded for the Food Security program, as shown in the table below:

Food Security Sub-grantees for Fiscal Year 2014			
Organization	Type of Program	Location	FHN
Catholic Charities of Northern Nevada	Hunger One-Stop Shop	Reno	\$ 33,433
Community Services Agency	Hunger One-Stop Shop	Reno	\$ 290,725
Community Services Agency	Hunger Increase Access	Reno	\$ 182,250
East Valley Family Services	Hunger One-Stop Shop	Las Vegas	\$ 308,801
Family Resource Center of Northeast NV	Hunger One-Stop Shop	Elko	\$ 241,825
Financial Guidance Center (aka CCC)	Hunger One-Stop Shop	Las Vegas	\$ 227,311
Helping Hands of Vegas Valley	Hunger Increase Access	Las Vegas	\$ 265,948
Little People's Head Start	Hunger One-Stop Shop	Ely	\$ 21,685
Nye Communities Coalition	Hunger One-Stop Shop	Pahrump	\$ 77,973
Senior Center of Boulder City	Hunger Increase Access	Boulder City	\$ 86,679
Division of Welfare and Supportive Svcs	SNAP Outreach	Reno/Las Vegas	\$ 286,567
Support to Council on Food Security			\$ 12,933
		TOTALS	\$ 2,036,130

According to the agency, Hunger One-Stop Shops not only provide food to families through food pantries established within the one-stop shops, but also provide families with counseling services and guidance on locating additional resources and assistance to address the root cause of hunger. One of the goals identified by the Office of Food Security to measure success of the program was increased participation in the Supplemental Nutrition Assistance Program (SNAP) administered by the Division of Welfare and Supportive Services and the National School Lunch program administered by the Department of Agriculture.

During the budget hearing on February 6, 2015, the Subcommittee inquired into the success of the Office of Food Security and any notable increases in the SNAP program and the National School Lunch program. Follow-up information provided by the agency indicates that the food security grantees were directly responsible for 3,758 new enrollees in the SNAP program and 260 new enrollments in the National School Lunch program. Further, the agency indicates that the one-stop shops are helping to address risk factors that increase food insecurity, including unemployment, under-employment, homelessness or risk of homelessness, lack of health care, and the inability to pay for child care in order to maintain employment or attend school. The agency also indicated that one-stop shops and food pantry programs served 37,175 unduplicated clients and successfully linked 24,057 of those clients to assistance programs.

Nevada 2-1-1

The Nevada 2-1-1 system was statutorily established by the 2005 Legislature in NRS 232.359, which requires the DHHS to establish and maintain a statewide system that provides nonemergency information and referrals to the public regarding health, welfare, human and social services available through both public and private entities throughout the state. The system has been supported previously by private donations, grant funds from United Way and the Casey Foundation, federal Title XX grant funds, as well as General Fund appropriations and tobacco settlement funds.

The Nevada 2-1-1 system is currently operated 24/7 by HELP of Southern Nevada (weekday daytime calls) and the Crisis Call Center in Northern Nevada (weeknight and weekend calls). The Executive Budget recommends \$700,000 in tobacco settlement funds in each fiscal year of the 2015-17 biennium to support the Nevada 2-1-1 system, which would support operating costs, such as personnel, rent, communication, travel and supplies for the call centers.

The agency testified at the budget hearing that the increase in the use of tobacco settlement funds for the Nevada 2-1-1 system was due to a decline in previous support provided for the system. The agency confirmed that in addition to the \$700,000 recommended to continue the Nevada 2-1-1 system in each year of the 2015-17 biennium, The Executive Budget includes \$30,000 each year in the Division of Public & Behavioral Health's Maternal and Child Health budget to support the system, and financial assistance as well as in-kind support such as website maintenance will continue to be provided from non-profit entities over the 2015-17 biennium.

During the budget hearing February 6, 2015, the agency testified that commencing in FY 2018, the allocation of tobacco settlement funds to the state will be reduced as strategic contributions and settlement credits are eliminated. The agency projects the reduction to total approximately \$3.0 million less for the DHHS portion of the tobacco settlement allocation each year commencing in FY 2018. In that regard, the Subcommittee expressed concern for the ongoing use of tobacco settlement funds for core state functions. The agency acknowledged the concern and indicated ongoing efforts were underway to look at funding sources, including Medicaid, to offset the reduction in tobacco settlement funds in future biennia.

In further response to the Subcommittee's inquiry regarding diversifying the resources for the Nevada 2-1-1 system, the agency indicates that they are working with Nevada Medicaid to determine if program funding may be available and with the Division of Emergency Management (DEM) to determine how Nevada 2-1-1 could assist the state during emergencies, and thereby receive federal DEM grant funds. Additionally, the agency issued a request for proposal (RFP) in January 2015 seeking responses to fulfill the services provided for the Nevada 2-1-1 system; and the agency is currently evaluating those responses. According to the agency, a provision of the RFP requires the selected vendor to seek funding sources for the system.

Does the Subcommittee wish to approve the allocation of tobacco settlement funds for the Grants Management Unit included in the 2015-17 spending plan as proposed by the DHHS Director and recommended by the Governor?

The Subcommittee recommended approval of \$17.4 million in tobacco settlement funds over the 2015-17 biennium for the Grants Management Unit for administration costs and allocation of subgrants in accordance with the 2015-17 spending plan proposed by the DHHS Director and recommended by the Governor.

2. Part-time Position for Nevada 2-1-1 System (E-225, DHHS Director-28): The Governor recommends tobacco settlement funds totaling \$103,284 over the 2015-17 biennium for a part-time Social Services Program Specialist position and associated operating expenditures to serve as the statewide Nevada 2 1-1 Coordinator. Fiscal staff notes that the recommendation would have the position begin, if approved, July 1, 2015; however, typically new positions are budgeted to begin in October. The agency indicated they are confident they will be able to fill the position, timely.

According to supplemental information provided by the agency, the DHHS entered into a Memorandum of Understanding (MOU) on February 13, 2014, with the Crisis Call Center, HELP of Southern Nevada, and United Way to establish the governance structure of the Nevada 2-1-1 system. Since that time, the agency has been utilizing a contract position to serve as a Nevada 2-1-1 coordinator, with additional assistance provided by the GMU staff when available. Fiscal staff notes that contract costs are not included in The Executive Budget for the 2015-17 biennium.

Supporting documents included with this recommendation indicate that the coordinator position would ensure compliance of the MOU; update the MOU or develop other MOUs as needed; collect and verify data pertaining to the program; and perform administrative duties related to the Nevada 2-1-1 Executive Committee. Additionally, the agency indicates the position would assist and oversee the selected vendor for the Nevada 2-1-1 system, and work toward diversifying the resources to support the system in future biennia.

Does the Subcommittee wish to approve \$103,284 in tobacco settlement funds over the 2015-17 biennium to support a part-time position to serve as the Nevada 2-1-1 Coordinator?

The Subcommittee recommended approval of \$103,284 in tobacco settlement funds over the 2015-17 biennium to support a part-time Social Services Program Specialist position, and associated operating costs, to serve as the Nevada 2-1-1 Coordinator.

Other Closing Items

1. Replacement Equipment (E-710, DHHS Director-29-30): The Governor recommends \$4,869 (\$1,835 General Fund) in FY 2016 to replace three laptop computers and one monitor. **This recommendation appears reasonable.**
2. Cost Allocation (M-800, DHHS Director-27-28): The Governor recommends \$2,004 (\$221 General Fund) in FY 2016 and \$52,536 (\$5,779 General Fund) in FY 2017 in cost allocation assessments for fiscal and administrative services provided by the DHHS Director's Office for the budget. **This recommendation appears reasonable.**

Fiscal staff recommends the Other Closing Items be closed as recommended by the Governor, with authority for staff to make technical adjustments as needed.

The Subcommittee recommended approving the Other Closing Items as recommended by the Governor, with authority for staff to make technical adjustments as needed.

ATTACHMENT (1 page)

Tobacco Settlement Fund
Department of Health and Human Services
SFY15 through SFY17

Budget Account	SFY15 Revised	SFY16 Budget	SFY17 Budget
Balance Forward from Previous Year:	44,505,803	35,717,095	29,408,196
3140 - ADSD Tobacco Settlement Program:			
- Administrative costs	(247,684)	(247,684)	(247,684)
- Senior Independent Living	(4,984,340)	(5,763,970)	(5,763,970)
- Assisted Living	(200,000)	(200,000)	(200,000)
Total - B/A 3140:	(5,432,024)	(6,211,654)	(6,211,654)
3151 - ADSD Aging Federal Programs & Administration:			
- Alzheimer's Taskforce Support	(73,000)	(49,582)	(49,582)
Total - B/A 3151:	(73,000)	(49,582)	(49,582)
3156 - ADSD Senior Rx and Disability Rx:			
- Senior Rx administrative costs	(157,116)	(157,116)	(157,116)
- Senior Rx	(2,542,884)	(2,542,884)	(2,542,884)
- Disability Rx administrative costs	(19,419)	(19,419)	(19,419)
- Disability Rx	(605,581)	(605,581)	(605,581)
Total - B/A 3156:	(3,325,000)	(3,325,000)	(3,325,000)
3161 - DPBH SNAMHS:			
- SNAMHS - PACT	(300,000)	(150,000)	-
- SNAMHS - Home Visiting Program	(300,000)	(150,000)	-
- SNAMHS - Dvoskin Recommendations	(80,454)	-	-
- So NV MOST Program	(459,513)	(459,513)	(459,513)
- So NV Community Triage Center	(255,500)	(200,000)	(100,000)
- So NV Mental Health Court	(750,000)	(500,000)	(250,000)
Total - B/A 3161:	(2,145,467)	(1,459,513)	(809,513)
3162 - DPBH NNAMHS:			
- NNAMHS - Home Visiting Program	(166,615)	(83,308)	-
Total - B/A 3162:	(166,615)	(83,308)	-
3166 - ADSD Family Preservation Program:			
- Family Preservation	(1,200,000)	(1,200,000)	(1,200,000)
Total - B/A 3166:	(1,200,000)	(1,200,000)	(1,200,000)
3195 - Director's Office Grants Management Unit:			
- Wellness administrative costs	(358,342)	(421,311)	(426,137)
- Suicide Prevention (DPBH through DO)	(500,000)	(400,000)	(400,000)
- Hunger	(2,300,000)	(2,300,000)	(2,300,000)
- Immunization (DPBH through DO)	(500,000)	(400,000)	(300,000)
- 2-1-1 Support	(500,000)	(700,000)	(700,000)
- Health Access	(300,000)	-	-
- Differential Response	(1,420,000)	(1,420,000)	(1,420,000)
- Family Resource Centers	(1,300,000)	(1,437,334)	(1,437,334)
- Disability administrative costs	(63,640)	(61,713)	(61,364)
- Respite	(650,000)	(675,000)	(675,000)
- Positive Behavior Support	(325,000)	(340,000)	(340,000)
- Independent Living Grants	(325,000)	(579,672)	(579,672)
Total - B/A 3195:	(8,541,982)	(8,735,030)	(8,639,507)
3204 - Director's Office Office for Consumer Health Assistance:			
- OCHA Ombudsmen	(350,000)	(180,000)	(180,000)
Total - B/A 3204:	(350,000)	(180,000)	(180,000)
3220 - DPBH Chronic Disease:			
- Cessation	(1,000,000)	(1,000,000)	(1,000,000)
Total - B/A 3220:	(1,000,000)	(1,000,000)	(1,000,000)
3266 - ADSD Home and Community Base Services:			
- Traumatic Brain Injury	(1,000,000)	(570,000)	(320,000)
- Autism Taskforce Support	(113,000)	(51,864)	(51,864)
- Autism	(4,743,933)	(2,500,000)	(2,500,000)
Total - B/A 3266:	(5,856,933)	(3,121,864)	(2,871,864)
3281 - DCFS Northern Nevada Child & Adolescent Services:			
- No NV Mobile Crisis Unit	(124,999)	(124,999)	(124,999)
- No NV Mobile Crisis Unit - Expansion	(635,199)	(635,199)	(635,199)
Total - B/A 3281:	(760,198)	(760,198)	(760,198)
3645 - DPBH Facility for Mental Offender - Lakes Crossing:			
- Lakes Crossing Additional Beds/Staffing	(1,562,221)	(1,562,221)	(1,562,221)
Total - B/A 3645:	(1,562,221)	(1,562,221)	(1,562,221)
3646 - DCFS Southern Nevada Child & Adolescent Services:			
- So NV Mobile Crisis Unit	(375,001)	(375,001)	(375,001)
- So NV Mobile Crisis Unit - Expansion	(1,316,541)	(1,316,541)	(1,316,541)
Total - B/A 3646:	(1,691,542)	(1,691,542)	(1,691,542)
1090 - Trust Fund for Healthy Nevada			
- Treasurer's Administrative Costs	(62,344)	(62,344)	(62,344)
Total - B/A 1090:	(62,344)	(62,344)	(62,344)
Total All Budget Accounts:	(32,167,326)	(29,442,256)	(28,363,425)
Projected Remaining Cash:	12,338,477	6,274,839	1,044,771
Revenue:			
- April Payment for Next State Fiscal Year	23,416,163	23,032,054	22,790,198
- Prior Year Funds Returned to FHN	-	-	-
- Treasurer's Interest	101,303	101,303	101,303
Total Revenue:	23,517,466	23,133,357	22,891,501
Balance Forward to Next Year:	35,855,943	29,408,196	23,936,272

Title: HHS-DO - CONSUMER HEALTH ASSISTANCE
 Account: 101 - 3204

Budget Page: DHHS-DIRECTOR-35, Volume II

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
BALANCE FORWARD	100,645						
FEDERAL FUND	143,534	115,593	(19.47)	106,283	(8.05)	109,209	2.75
GENERAL FUND	308,327	304,910	(1.11)	282,151	(7.46)	287,611	1.94
INTERAGENCY TRANSFER	648,300	246,939	(61.91)	268,320	8.66	269,684	0.51
OTHER FUND	344,662	692,183	100.83	527,168	(23.84)	534,851	1.46
REVERSIONS	(123,067)						
Total Revenues	1,422,401	1,359,625	(4.41)	1,183,922	(12.92)	1,201,355	1.47
Total FTE		12.00		11.00		11.00	
Adjustments to Revenue							
Dec Unit	Cat	GL	Description			2015-16	2016-17
						Gov Rec	Gov Rec
Sub-total						0	0
Line Item Changes to Revenues						0	0
Adjustments to Expenditures							
Dec Unit	Cat	GL	Description			2015-16	2016-17
						Gov Rec	Gov Rec
Sub-total						0	0
Line Item Changes to Expenditures						0	0
Total						0	0
Grand Total General Fund Impact of Closing Changes						0	0

Overview

The Office of Consumer Health Assistance was established by the 1999 Legislature within the Governor's Office. The 2011 Legislature approved the Governor's recommendation to transfer the budget from the Governor's Office to the Department of Health and Human Services (DHHS) Director's Office, and merge the Office of Consumer Health Assistance with the Office of Minority Health. In addition, this budget includes the Bureau of Hospital Patients.

The Office of Consumer Health Assistance (OCHA) assists Nevada consumers to understand and navigate the health care system by understanding patient rights and responsibilities under various health care plans, including industrial insurance, Medicaid and the Silver State Health Insurance Exchange (SSHIX). The OCHA also provides educational outreach regarding access to health care; responds to and investigates complaints regarding health care plans and policies; and assists in billing disputes between patients and hospitals. The mission of the Nevada Office of Minority Health is to improve the quality of health care services for minorities. The OCHA has offices in Las Vegas and Elko.

The budget is supported by a General Fund appropriation, federal funds, hospital assessments, and a transfer from the Workers' Compensation and Safety Fund. During the last two biennia, the agency has received federal Affordable Care Act (ACA) grant funds and federal funds transferred from the SSHIX to assist Nevadans and insurance providers with the implementation of the ACA and the SSHIX. With the expiration of ACA and SSHIX funds for this budget, the Interim Finance Committee (IFC) approved the utilization of tobacco settlement funds to continue four Ombudsman positions through FY 2015.

Major Closing Issue

Ombudsman Positions and Funding Sources

Discussion of Major Closing Issue

Ombudsman Positions and Funding Sources (E-492, DHHS Director-38): The Governor recommends tobacco settlement funds from the Fund for a Healthy Nevada and a combination of federal grant funds and hospital licensing fees transferred from the Division of Public and Behavioral Health, totaling \$703,697 over the 2015-17 biennium, to retain three Ombudsman positions and associated operating costs previously supported by ACA and SSHIX transfer funds. This decision unit also proposes to eliminate one filled Ombudsman position. As background information, the 2013 Legislature approved the Governor's recommendation to eliminate four positions (3 Ombudsmen and 1 Administrative Assistant) in FY 2015 due to expiring ACA grant funds. When SSHIX funds were also set to expire in FY 2015, the IFC approved the elimination of a half-time Grants & Projects Analyst and the use of tobacco settlement funds to continue four Ombudsman positions through the remainder of FY 2015 (June 30, 2015) to allow continued assistance to Nevada consumers regarding the implementation of the ACA. The Executive Budget now recommends retaining three Ombudsman positions extended by the IFC using a combination of tobacco settlement funds transferred from the Fund for a Healthy Nevada, and federal grant funds and health facilities fees transferred from the Division of Public and Behavioral Health. The decision unit also recommends the elimination of one Ombudsman position.

To justify the continuation of three Ombudsman positions over the 2015-17 biennium, the agency indicated that the OCHA continues to experience high call and case volumes and provided the following supplemental caseload information:

Activity	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected
# of Inquiries	19,768	19,679	19,990	22,500	22,750	23,000
# of Cases	3,628	3,413	4,072	3,800	3,850	3,900

The agency related that the seven existing Ombudsmen currently manage caseloads ranging from 125-248 cases each. The three Ombudsmen recommended to be continued share 607 open investigations, or an average of 202 cases per Ombudsman. For the number of cases opened, the OCHA indicates the time for resolution ranges from 14-90 days, with the average resolution at 48 days.

The agency indicated that during the initial phases of implementing the ACA and the SSHIX, inquiries and cases surrounded issues of applying for coverage, effective date of coverage, and premium payments. Inquiries now also include issues relating to the following:

- Renewals, benefits problems, appeals & grievances, network adequacy, claims processing, affordability (co-pays & deductibles)
- Medicaid, Nevada Check Up, Dual Eligible (Medicare/Medicaid)
- Billing disputes, private insurance cases, health access, mental health claims

The agency advised Fiscal staff that in addition to the public outreach it provides, OCHA receives referrals from the Governor's Office, legislative Constituent Services Unit, Nevada Congressional offices, state legislators, Bureau of Health Care Quality and Compliance, the Board of Medical Examiners, the Nevada Division of Insurance, Aging and Disability Services Division, Southern Nevada Adult Mental Health, Nevada State Health Insurance Assistance Program (SHIP) office, Nevada 2-1-1, Veteran's Administration, and others.

Summarily, the agency related that the Ombudsmen positions are needed to continue to assist consumers in navigating through implementation of the ACA, including assisting Nevadans in the rural areas, those who speak English as a second language, and those who do not have access to the Internet.

Funding for the Ombudsman Positions

As indicated previously, The Executive Budget recommends eliminating one Ombudsman position, and utilizing a combination of tobacco settlement funds from the Fund for a Healthy Nevada and federal funds transferred from the Division of Public and Behavioral Health, totaling \$703,697 over the 2015-17 biennium, to continue three Ombudsman positions. Funding for the positions is shown in the table below:

Ombudsman Position and Operating Costs				
Funding	FY 2016	FY 2017	Biennium Total	Percent of Support
Transfer from BA 3168 Behavioral Health Administration	\$ 60,000	\$ 60,000	\$ 120,000	17.1%
Transfer from BA 3216 Health Facilities Hospital Licensing	\$ 120,000	\$ 120,000	\$ 240,000	34.1%
Fund for Healthy Nevada	\$ 171,692	\$ 172,005	\$ 343,697	48.8%
Total:	\$ 351,692	\$ 352,005	\$ 703,697	100.0%

Fiscal staff notes that the \$120,000 in each year of the 2015-17 biennium transferred from the Health Facilities Hospital Licensing budget was inadvertently excluded from The Executive Budget. Fiscal staff will make the technical adjustment to the DHHS Health Facilities Hospital Licensing budget. Follow-up information provided by the agency after the budget hearing confirmed that there would be no impact regarding the budget transfers from the Division of Public and Behavioral Health, and that the funds being transferred were an appropriate use of those federal funds.

Should this decision unit be approved, staffing for the OCHA would consist of the following 11 full-time positions: 1 Consumer Health Advocate, 6 Ombudsman positions, 1 Management Analyst, 2 Administrative Assistants, and a Resource Analyst for the Office of Minority Health.

In response to Subcommittee inquiry during the budget hearing regarding the funding for the Ombudsmen positions in future biennia, the agency indicated that the Consumer Health Advocate is currently enrolled in the state’s Certified Public Manager program and as her capstone project, she will be evaluating and identifying funding sources to continue to support the position and operating expenditures for the three Ombudsman positions. That report should be complete by October 2015.

If this decision unit is approved, the Subcommittee may wish to recommend to the full committees that a letter of intent be issued directing the agency to submit a report to the Interim Finance Committee (IFC) on or before February 1, 2016, which identifies efforts made and recommendations for funding sources to support the salary and operating costs for the three Ombudsman positions in future biennia.

Does the Subcommittee wish to approve the Governor’s recommendation to eliminate one Ombudsman position and retain three Ombudsman positions to be supported with transfers from the Division of Public and Behavioral Health and the Fund for Healthy Nevada over the 2015-17 biennium? If so, does the Subcommittee wish to recommend the full committees issue a letter of intent directing the agency to report to the IFC on or before February 1, 2016, to identify efforts made and recommendations for funding sources to support the salary and operating costs for the three Ombudsman positions in future biennia?

The Subcommittee recommended approval of the Governor's recommendation to eliminate one Ombudsman position and retain three Ombudsman positions to be supported with transfers from the Division of Public and Behavioral Health and the Fund for Healthy Nevada totaling \$703,697 over the 2015-17 biennium. Additionally, the Subcommittee recommended that the money committees issue a letter of intent directing the agency to report to the IFC on or before February 1, 2016, to identify efforts made and recommendations for funding sources to support the salary and operating costs for the three Ombudsman positions in future biennia.

Other Closing Item

Cost Allocation (M-800, DHHS Director-37): The Governor recommends \$13,992 (\$814 General Fund) in FY 2016 and \$24,737 (\$1,438 General Fund) in FY 2017 for cost allocation assessments for the fiscal and administrative services provided by the DHHS Director's Office related to this budget. **This recommendation appears reasonable.**

Fiscal staff recommends the Other Closing Items be closed as recommended by the Governor, with authority for staff to make technical adjustments.

Technical Adjustments

Fiscal staff seeks authority to make technical adjustments that may be needed to departmental cost allocations or based on the closing of other DHHS budgets that may impact this budget.

The Subcommittee recommended approval of the Other Closing Items as recommended by the Governor, with authority for staff to make technical adjustments as necessary.

Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 Human Services Joint Subcommittee
 W03 - WORKING VERSION 3

Title: HHS-DO - PUBLIC DEFENDER
 Account: 101 - 1499

Budget Page: DHHS-DIRECTOR-45, Volume II

Revenues	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
BALANCE FORWARD	(333)						
FEDERAL FUND	15	55,855	372266.67				
GENERAL FUND	1,095,914	1,091,345	(0.42)	1,732,021	58.71	1,732,263	0.01
OTHER FUND	2,416,192	1,605,726	(33.54)	1,656,897	3.19	1,657,929	0.06
REVERSIONS	(5,709)						
Total Revenues	3,506,079	2,752,926	(21.48)	3,388,918	23.10	3,390,192	0.04
Total FTE		18.00		18.00		18.00	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	00	2501	Adjust General Fund - Budget Amendment A150601499	(2,535)	(2,441)
B000	00	2501	Adjust General Fund to align with Revised Funding Split	98,073	98,422
B000	00	2501	Reduce General Fund for Contract IT Services due to approval of IT Position in Administration Budget 3150 (E-225)	(594)	(594)
B000	00	4104	Adjust County Fees - Budget Amendment A150601499	(15,990)	(16,667)
B000	00	4104	Adjust County Fees to align with Revised Funding Split	(98,073)	(98,422)
B000	00	4104	Reduce County Fees for Contract IT Services due to approval of IT Position in Administration Budget 3150 (E-225)	(1,873)	(1,873)
M100	00	2501	Adjust General Fund due to closure of Ely Office	(6)	(6)
M300	00	2501	Adjust General Fund to align with Revised Funding Split	630	358
M300	00	4104	Adjust County Fees to align with Revised Funding Split	(630)	(358)
E490	00	2501	Reduce General Fund due to Opting-Out of Eureka and White Pine County - Budget Amendment A150601499	(102,621)	(102,627)
E490	00	4104	Reduce County Fees due to Opting-Out of Eureka and White Pine County - Budget Amendment A150601499	(324,969)	(324,988)
E672	00	2501	Adjust General Fund to align with Revised Funding Split	(83)	(113)
E672	00	4104	Adjust County Fees to align with Revised Funding Split	83	113
E710	00	2501	Reduce General Fund for Elimination of Computer Hardware in Ely	(1,234)	(402)
E710	00	4104	Reduce County Fees for Elimination of Computer Hardware in Ely	(5,263)	(2,472)
Sub-total				(455,085)	(452,070)
Line Item Changes to Revenues				(455,085)	(452,070)

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	04	7000	Eliminate Contracts, Publications, and Xerox Lease for Ely Office	(2,809)	(2,809)
B000	04	7000	Eliminate EITS email service for Ely Office	(200)	(200)
B000	04	7000	Eliminate Rent for Ely Office	(18,529)	(19,112)
B000	04	7000	Reduce contracts due to closure of Ely Office	546	546
M100	04	7000	Adjust Rent Expenditures	(6)	(6)
E490	01	5000	Eliminate 4 Positions due to Opting-Out by Eureka & White Pine Counties - Budget Amendment A150601499	(403,569)	(404,096)
E490	03	6000	Eliminate 2 Fleet Vehicles due to closure of Ely Office	(10,377)	(10,257)
E490	03	6000	Reduce in-state travel due to closure of Ely Office	(1,694)	(1,694)
E490	04	7000	Reduce Operating costs associated with the elimination of 4 Positions due to Opting-Out by Eureka & White Pine Counties - Budget Amendment A150601499	(468)	(467)
E490	04	7000	Reduce Contracts, Publications, and Xerox Lease for Ely Office	(6,580)	(6,185)

E490	04	7000	Reduce Operating Supplies due to closure of Ely Office	(621)	(621)
E490	04	7000	Reduce Outside Postage due to closure of Ely Office	(904)	(904)
E490	04	7000	Reduce Printing & Copying due to closure of Ely Office	(770)	(770)
E490	04	7000	Reduce State Printing Charges due to closure of Ely Office	(183)	(183)
E490	26	7000	Eliminate 4 Positions due to Opting-Out by Eureka & White Pine Counties - Budget Amendment A150601499	(944)	(962)
E490	26	7000	Eliminate EITS email service for Ely Office	(322)	(318)
E490	26	7000	Reduce software contracts due to closure of Ely Office	(1,000)	(1,000)
E490	30	6000	Reduce Personal Vehicle Use due to closure of the Ely Office	(158)	(158)
E710	26	8000	Eliminate Computer Hardware Replacements for Ely Office	(6,497)	(2,874)
Sub-total				(455,085)	(452,070)
Line Item Changes to Expenditures				(455,085)	(452,070)
Total				0	0
Grand Total General Fund Impact of Closing Changes				(8,370)	(7,403)

Overview

The Office of the State Public Defender (Office) represents adult and juvenile indigent, criminal defendants when a court appoints the Office as counsel. The Office currently provides services for 4 counties: Carson, Eureka, Storey and White Pine. The 13 remaining counties provide their own public defender services through a county public defender or private contract attorney. The Office also handles appeals for state prison inmates whose habeas corpus post-conviction petitions have been denied. The State Public Defender maintains two offices: Carson City (14 FTEs) and Ely (4 FTEs).

The budget is supported by State General Fund appropriations and fees assessed to the counties utilizing the services of the Office. The Executive Budget recommends funding the non-post-conviction relief and non-statewide cost allocation expenditures at 19 percent General Fund and 81 percent County Fees, which was also the funding split approved for the 2013-15 biennium. The formula is based on a 5-year average of the total service hours provided to each county and the total service hours related to state and appellate work. Post-conviction relief services are funded entirely with General Funds while statewide cost allocation expenditures are funded entirely with County Fees.

Major Closing Issue

Opting-out by White Pine and Eureka Counties

Discussion of Major Closing Issue

Opting-out by White Pine and Eureka Counties: Pursuant to NRS 260.010, a board of county commissioners must notify the State Public Defender by March 1 of every odd-numbered year of their intent to create a county public defender's office. By law, the opting-out provision takes effect July 1 of the year in which notification by the counties occurs—in this instance July 1, 2015, or the beginning of FY 2016. As indicated above, the State Public Defender currently provides services to four counties: Carson City, Eureka, Storey, and White Pine. The decision by each county impacts how the services of the Office are allocated, the costs of services for each county, and the State General Fund.

The Office was notified by March 1, 2015, that White Pine and Eureka counties have decided to opt-out of the services of the Office for the 2015-17 biennium. Concurrently, the Office was responding to a request from Pershing County, which was considering opting-in; however, on March 18, 2015, the Pershing County Commissioners voted to not utilize the services of the Office. Based on these decisions, the Office will serve two counties over the 2015-17 biennium: Carson City and Storey.

To adjust for White Pine and Eureka counties opting out, the Executive Budget Office submitted Budget Amendment A150601499 on March 26, 2015, which recommends the closure of the State Public Defender's Ely office, including the elimination of four filled positions stationed in Ely: one unclassified

Supervising Public Defender; one unclassified Public Defender; one unclassified Investigator; and one classified Legal Secretary. Total reduced costs for the budget are shown in the table below:

Elimination of Ely Office		
Expenditure	FY 2016	FY 2017
Position Costs	\$ (403,569)	\$ (404,096)
Travel	\$ (12,071)	\$ (11,951)
Operating	\$ (28,060)	\$ (28,247)
Information Technology	\$ (8,763)	\$ (5,154)
Training	\$ (158)	\$ (158)
Total Reduction to Budget	\$ (452,621)	\$ (449,606)

As mentioned, the funding for this budget is recommended at 19 percent General Fund appropriations and 81 percent county assessments, not including the costs for post-conviction relief, which are paid 100 percent General Fund, and the statewide cost allocations, which are paid 100 percent county reimbursements. Based on the budget amendment and the realignment of costs between the remaining two counties and the state General Fund, funding for the budget is revised to 24 percent General Fund and 76 percent county assessments, resulting in net General Fund reductions of \$7,776 in FY 2016 and \$6,809 in FY 2017, and net county assessment reduction of \$444,845 in FY 2016 and \$442,797 in FY 2017.

Regarding the elimination of four filled positions, the agency indicates it is determining how terminal leave payouts will be made during FY 2015 if incumbents are not otherwise hired into other state positions. During the budget hearing on April 1, 2015, the agency indicated that it will assist the incumbents in the securing other positions; however, there is not much job availability in the Ely area. The agency further indicated that to make the terminal leave payouts during this fiscal year, the agency is looking at utilizing excess funds in other expenditure categories, and may require a transfer of funds from other DHHS budgets, which is authorized per Section 54 of the 2013 Appropriations Act (A.B. 507) and to the extent these costs are funded from the General Fund. In response to Fiscal staff inquiry, the agency provided the following benefits that counties consider when determining whether or not to opt-in or opt-out of the services of the State Public Defender’s Office:

Benefits of Opting-In: 1) Attorneys in the State Public Defender’s office are not allowed to have a private practice so they can devote 100 percent of their time to the cases assigned, compared to contract county attorneys who maintain a private practice while performing indigent defense; 2) the Office includes all costs of investigation; 3) The Office covers death penalty and Category A felonies at no additional charge, which is often difficult for small counties to cover due to lack of expertise; and 4) the Office has a great deal of institutional knowledge and resources available compared to contract county staff.

Benefits of Opting-Out: 1) Contract attorney costs may be less; 2) local control is retained; and 3) determined level of services. Regarding the increased costs, the agency indicated that the Office was supported entirely by a General Fund appropriation when first established. In the 1990s, the Office was supported 60 percent General Fund and 40 percent county reimbursement. Starting in 2005, the Legislature expressed its intent for the counties to support the entire cost of indigent defense and agreed to use a 5-year average of county costs, excluding post-conviction relief cases, which is supported by 100 percent General Fund appropriations.

The agency indicates they will actively pursue other counties to opt-in for the 2017-19 biennium.

Does the Subcommittee wish to approve Budget Amendment A150601499 to eliminate the State Public Defender’s Ely Office due to the opting out of Eureka and White Pine counties, including the elimination of four full-time positions and related operating costs totaling \$452,621 in FY 2016 and \$449,606 in FY 2017 as reflected in this closing sheet?

The Subcommittee approved Budget Amendment A150601499 to eliminate the State Public Defender's Ely Office due to the opting out of Eureka and White Pine counties, including the elimination of four full-time positions and related operating costs totaling \$452,621 in FY 2016 and \$449,606 in FY 2017.

Other Closing Items

Replacement Equipment (E-710, DHHS Director-47): The Governor recommends \$6,497 (\$1,234 General Fund) in FY 2016 to replace one server and \$5,748 (\$1,092 General Fund) in FY 2017 to replace 2 color printers. Based on the revised budget, replacement equipment was reduced to \$2,874 (\$690 General Fund) in FY 2017 to replace one color printer for the Carson City office. **This recommendation appears reasonable.**

Legislation – no action required

Assembly Bill 10 requires the Office of the State Public Defender to bear the costs of providing legal representation to an indigent person in a capital case for all counties in the state. The agency has submitted a fiscal note indicating the legislation as introduced would have a \$82.2 million impact on the state over the 2015-17 biennium and for future biennia. The bill was approved Do Pass by the Assembly Committee on Judiciary on February 20, 2015, and was re-referred to the Assembly Committee on Ways and Means on February 23, 2015.

Senate Bill 451 creates the Indigent Defense Commission, which would propose the minimum standards for indigent defense, and employ the State Public Defender and at least ten other positions to provide for indigent defense services at the direction of the Commission. The legislation also creates the Indigent Defense Account within the State General Fund, and changes the funding structure for indigent defense services. The Senate Committee on Judiciary re-referred the bill without recommendation to the Senate Committee on Finance on April 7, 2015.

Technical Adjustment

In conjunction with the recommended approval of an IT Professional position by the Joint Subcommittee on Human Services in the DHHS Director's Office Administration budget, Fiscal staff has included the elimination of \$2,464 (\$594 General Fund) for contract IT costs in each year of the biennium on this closing sheet.

Fiscal staff recommends the Other Closing Items be closed as recommended by the Governor with the technical adjustment noted by staff and with authority for staff to make other technical adjustments as needed.

The Subcommittee approved the Other Closing Items as recommended by the Governor, including the technical adjustment noted by staff to eliminate \$2,464 (\$594 General Fund) for contract IT costs in each year of the biennium due to the approval of an IT position in the Administration Budget, and authority for staff to make other technical adjustments as needed.