

MINUTES OF THE  
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE  
INTERIM

Tuesday, January 8, 2002, 9:00 a.m.

Room 403, State Capitol Building

Members Present:            Sen. David H. Steele, Committee Co-Chair  
                                     Rep. Jack A. Seitz, Committee Co-Chair  
                                     Sen. Edgar Allen  
                                     Sen. Curtis S. Bramble  
                                     Rep. Trisha Beck  
                                     Rep. David L. Hogue  
                                     Rep. David Litvack  
                                     Rep. Rebecca Lockhart  
                                     Rep. Carl S. Saunders

Members Absent:            Sen. L. Steven Poulton  
                                     Rep. Matt Throckmorton

Staff Present:                Thor Nilsen, Legislative Fiscal Analyst  
                                     Spencer C. Pratt Legislative Fiscal Analyst  
                                     Norda Shepard, Secretary

Visitor List on File:

Committee Co-Chair Steele called the meeting to order at 9:03 a.m.

Co-Chair Steele welcomed everyone and stated that he felt this will be a “gold medal” year, not just because of the Olympics, but because of financial situations that the state has not been through so dramatically for many years. He stated that this committee will face challenges in identifying those things that are working very well for us and making sure that we maintain those types of programs and services that are needed. He stated that today’s meeting would consist of comments from the fiscal analysts and that tomorrow the department heads will have the opportunity to present their perspective of the impact of these proposals.

**Overview of FY2002 Budget Adjustments - Department of Health**

Senior Fiscal Analyst, Spencer Pratt, distributed the FY2002 Supplemental Funding Items. Sen. Steele announced there were probably not enough copies for everyone in attendance and indicated that this information was available on the internet.

Mr. Pratt discussed the Governor’s request that agencies “holdback” expenditures as a result of an anticipated shortfall in the fiscal year. The analyst’s recommended General Fund reduction for the Department of Health amounts to \$10.4 million. He stated that all of the division budgets are impacted to some degree in these proposed reductions. He discussed the overall department reductions and recommended elimination of 40 FTE’s and highlighted recommended programs and FTE eliminations or reductions in the various divisions of the department.

Mr. Pratt discussed funding transfers and the one-day furlough recommended for all FTE’s in each division. He explained recommended reductions for the Division of Epidemiology and Laboratory Services were not as much as other divisions due to safety concerns during the upcoming Olympics.

Sen. Bramble asked if the analyst worked with the department in making these recommendations. Sen. Steele indicated that these recommendations were from the analyst and the department would respond to them tomorrow.

### **Overview of FY 2002 Budget Adjustment - Department of Human Services**

Fiscal Analyst, Thor Nilsen, distributed the FY2002 Budget Recommendations, Supplemental Funding Items for the Department of Human Services. He pointed out that this committee does not deal with the Division of Youth Corrections, which is a division of the Department of Human Services. This division is heard in the Executive Offices and Criminal Justice Committee.

Mr. Nilsen indicated that the Governor's recommended reductions for the department totaled 3.4% or about \$7.5 million from general fund. The fiscal analyst's recommendations totaled just over 5% or roughly \$10.8 million, which includes eliminating 141 FTE's. He stated that while some of the recommendations are very specific, some are general in nature and could go up or down depending on how it is approached in the various programs. He stated that about 45% of the recommended budget cuts are administrative and about 55% are programs or services.

He discussed the FACT program, stating that it was not recommended to eliminate this worthwhile program but to look at restructuring the administrative overhead of the program. He drew attention to the nonlapsing intent language that will need consideration. He also discussed the recommended one day furlough for department employees.

Mr. Nilsen stated that he felt the Division of Child and Family Services has increasingly stressed good budget management practices in the regions and has been increasingly vigilant in drawing federal matching funds wherever possible.

### **Other Business**

Sen. Bramble asked about the audit of the Division of People with Disabilities. This audit will be discussed during that division's presentation later. Sen. Allen asked what impact on individuals or programs the recommended one-day furlough would have. Mr. Pratt stated that the state would not be shut down, offices would be open as usual and each individual would be required to take one day off without pay. These days would be staggered so programs would not be overly affected.

### **Discussion of Schedule of Committee Meetings**

Sen. Steele indicated that the recommended funding cuts \$21.3 million from general fund and \$12.3 million in federal funding, amounting to about \$36.6 million for the two departments. He stated that this is a very significant impact on the two departments. He acknowledged the work of the fiscal office and their agonizing efforts to recommend what would have the least impact on all involved. He said he knows every member of the committee cares about people and cares about the state and wants to do the best for all concerned. He encouraged committee members to take the opportunity to look at the analyst's recommendations and come prepared with their questions tomorrow.

He stated the plan of procedure would be to have the department directors respond to the analyst's recommendations on Wednesday; citizens may respond on Thursday, with continuation next Tuesday. The committee should report their recommendations to the Executive Appropriations Committee by next Wednesday, January 16.

**MOTION:** Rep. Hogue moved to adjourn. The motion passed unanimously.

Co-Chair Steele adjourned the meeting at 10:16 a.m.

Minutes reported by Norda Shepard, Secretary.

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Sen. David H. Steele  
Committee Co-Chair

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Rep. Jack A. Seitz  
Committee Co-Chair