

## DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or [library@lcb.state.nv.us](mailto:library@lcb.state.nv.us).

ex L

## TESTIMONY

**BILL: SB 396 (BDRS-1226) Supplemental appropriation to Health Division of Department of Human Resources for shortfall in money for Fiscal Year 2002-2003 to meet the maintenance of effort requirement for the Substance Abuse Prevention and Treatment Block Grant (SAPT).**

### DEPARTMENT OF HUMAN RESOURCES

**CONTACT: PHIL WEYRICK, ADMINISTRATIVE SERVICES OFFICER,  
STATE HEALTH DIVISION, BUREAU OF ALCOHOL AND DRUG ABUSE  
PHONE: 684-4226**

Good morning, for the record my name is Phil Weyrick, the Administrative Services Officer for the State Health Division.

The Health Division supports the passage of SB 396, as it will allow Nevada's Single State Agency (SSA) for substance abuse, the Bureau of Alcohol and Drug Abuse, to meet its maintenance of effort (MOE) for state expenditures, as required by the SAPT Block Grant. The Bureau's current SFY03 State general fund appropriation in Budget Account 3170 is \$38,915 short of the required MOE. The MOE is calculated as the average of the last two years' actual expenditures, or the MOE requirement for those years, whichever is greater (Attachment A).

The State's current federal SAPT Block Grant is nearly \$12 million dollars. The State general fund appropriation of \$3.07 million makes up approximately 14% of the Bureau's \$21 million budget. Failure to meet the required MOE would cause the following results:

1. The federal Block Grant funding could be reduced dollar for dollar by the amount of the shortfall.
2. The Health Division has currently requested a waiver to exclude the MAXIMUS funding in the MOE calculation, as a non-recurring funding initiative for a specific purpose. Indications from the federal advisors are that the waiver cannot be granted if the State does not meet its MOE. If this waiver were not granted, it would have a significant effect on future years' MOE calculations.

3. The federal Block Grant award would be delayed substantially because additional federal reviews are conducted when the MOE is not met. Not being able to draw federal funds affects the cash flow in the budget, and a cash advance may be required until federal funds become available.

Attachments B and C show the dramatic increase in Block grant funding compared to the maintenance of effort over the last several years, and indicate the decreasing percentage of State appropriation in this budget. The Health Division encourages the Committee to support the required MOE to avoid sending the message that the State does not need these additional federal grant dollars.

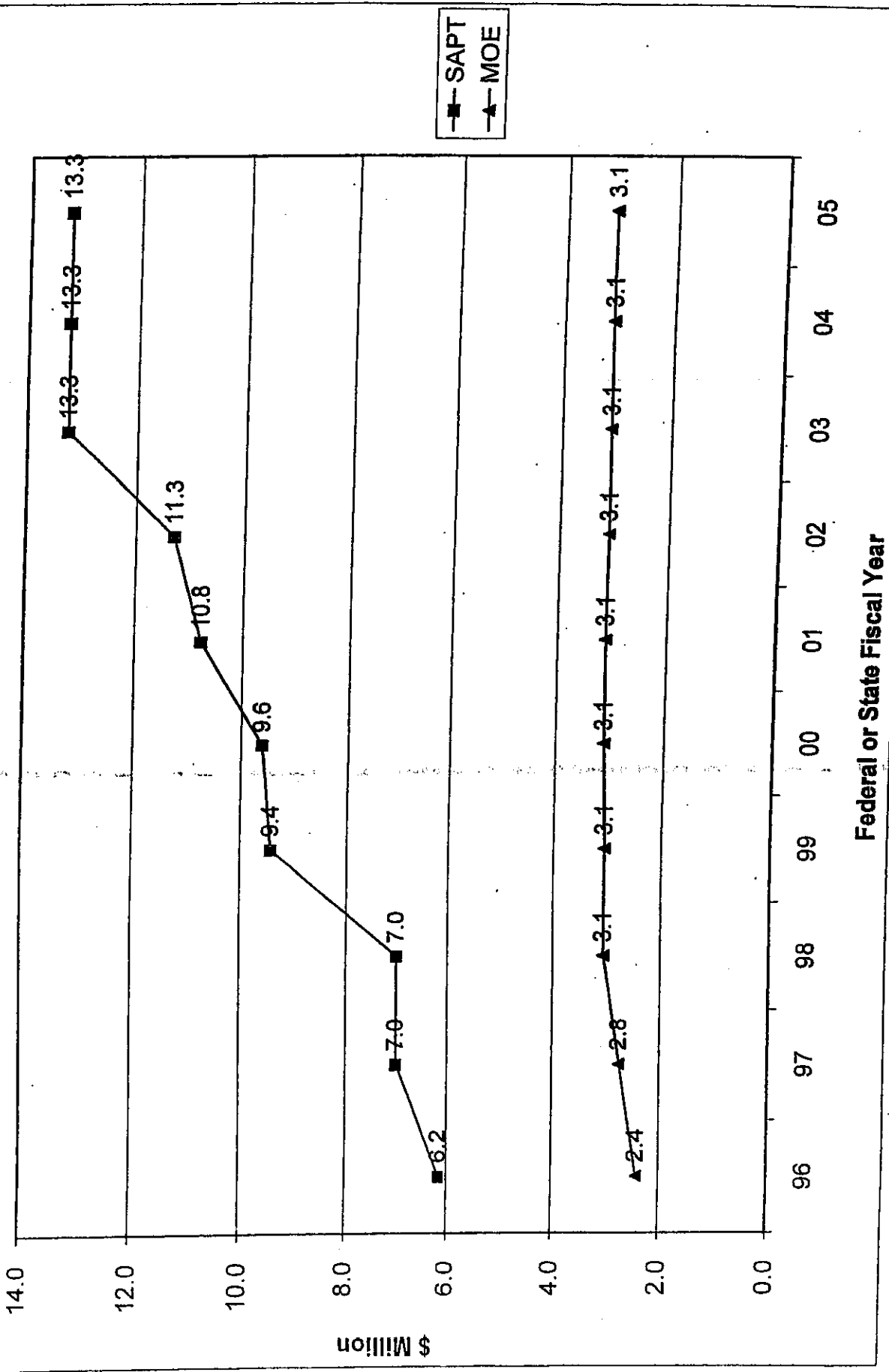
I would be happy to answer any questions at this time.

# BADA MOE CALCULATIONS ( SFY 01 FINAL EXPENDITURES)

STATE EXPENDITURE		MOE CALCULATION	
SFY 90	1,703,136		
SFY 91	1,816,553		
SFY 92	2,290,116		
SFY 93	2,411,297		
SFY 94	2,409,618		
SFY 95	2,428,146		
SFY 96	3,073,299		
SFY 97	3,049,706		
SFY 98	3,070,747		
SFY 99	3,146,384		
SFY 00	3,083,289		
SFY 01	3,120,763		
SFY 02	3,075,984	budget	3,102,026
SFY 03	3,072,480	budget	3,111,395
SFY 03			
PROJECTED MOE	3,111,395		
SFY 03 BUDGET	3,072,480		
\$ BELOW MOE	38,915		
% BELOW MOE	1.251%		
		SFY 02 MOE	
		SFY 02 BUDGET	3,102,026
		\$ BELOW MOE	3,075,984
		% BELOW MOE	26,042 0.840%

Actual accepted  
by SAMHSA

# Federal SAPT Block Grant and State Maintenance of Effort



**State Maintenance of Effort as a Percent of Federal SAPT Block Grant**

