



STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
Budget Division

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POLICY DIRECTIVE #D-2012-11

October 29, 2012

TO: Agency Directors

FROM: Jeff Mohlenkamp, Director 
Department of Administration

SUBJECT: Impacts of Federal Deficit Reductions (sequestration)

As most of you are well aware, federal funds to states are set to decline effective January 2, 2013 under a process known as sequestration. This provides for automatic reductions to programs that are not exempt. FFIS Special Analysis 12-03, a summary of the background and current status of the sequestration process, is attached for further information about this process.

Most experts believe that sequestration and its resulting cost reductions will not go into effect in January. However, we need to prepare in the event this becomes a reality. Further, even if sequestration does not occur, it is still very possible that the Federal Government will reduce funds currently allocated to state government.

As a result, I am asking all state directors that receive funds from the Federal Government to complete the attached spreadsheet. The spreadsheet is designed to:

- (1) Identify all sources of federal revenue that are not exempt as identified in the attached FFIS Special Analysis. If you are aware of any programs not identified in the FFIS Special Analysis, please include them on the list;
- (2) Identify the amount of actual funds received from this revenue source during SFY 2012 and budgeted funds for SFY 2013;
- (3) Provide an estimate of the amount of reductions under sequestration by state fiscal years 2013, 2014, and 2015;
- (4) Describe whether the funds are used to directly fund state positions or to provide direct or indirect services to Nevada citizens; and
- (5) Determine whether the services or positions identified in #4 will be required to continue at established levels either by federal law, court order or state constitution regardless of whether we have a reduction in federal funding.

Please complete the attached spreadsheet and submit it to the attention of Lesley Henrie, Assistant to the Director at lhenrie@admin.nv.gov by November 23, 2012. If you have any questions regarding this request, please contact either Deputy Director Mike Torvinen at 775-684-0226 or me at 775-684-0222.