

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS  
AND THE  
SENATE COMMITTEE ON FINANCE  
JOINT SUBCOMMITTEE ON K-12/HUMAN RESOURCES**

**Seventy-Third Session  
April 14, 2005**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on K-12/Human Resources, was called to order at 8:35 a.m., on Thursday, April 14, 2005. Chairwoman Sheila Leslie presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**ASSEMBLY COMMITTEE MEMBERS PRESENT:**

Ms. Sheila Leslie, Chairwoman  
Mr. Mo Denis  
Mrs. Heidi S. Gansert  
Ms. Chris Giunchigliani  
Mrs. Debbie Smith  
Ms. Valerie Weber

**SENATE COMMITTEE MEMBERS PRESENT:**

Senator Barbara Cegavske  
Senator Bernice Mathews  
Senator William J. Raggio  
Senator Dina Titus

**GUEST LEGISLATORS PRESENT:**

Ms. Barbara Buckley  
Mr. Lynn Hettrick

**STAFF MEMBERS PRESENT:**

Steve Abba, Principal Deputy Fiscal Analyst  
Rick Combs, Program Analyst  
Connie Davis, Committee Attaché  
Carol Thomsen, Committee Attaché

Department of Human Resources, Administration, Budget Account 101-3150 –  
Budget Page HR ADMIN-1 – Volume II

Rick Combs, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), testified that there were two major closing issues for the Department of Human Resources Administration Budget:

- Addition of a new Public Information Officer
- Funding for a Statewide Suicide Awareness and Prevention Program

Mr. Combs indicated staff had no concerns regarding the request for a Public Information Officer (PIO), given the size of the Department and issues that would be addressed by the PIO during the biennium. However, Mr. Combs advised that concerns were raised during subcommittee hearings regarding whether the position was appropriately funded entirely by the General Fund. Given the Department's multiple non-state funding sources, Mr. Combs indicated the Subcommittee asked if consideration had been given to allocating the cost of the position to the Department's various programs.

Mr. Combs advised that in response to his inquiry, Department representatives indicated the cost of the PIO position would be included in the Director's Office portion of the Statewide Cost Allocation Plan, which would, in effect, allocate some of the cost for that position to the non-state funding sources.

Funding for the Statewide Suicide Awareness and Prevention Program in Decision Unit E-453 was the second issue addressed. Mr. Combs advised that MAXIMUS revenue was approved by the 2003 Legislature to fund the program, but funds were not received at a level that would allow the program to be funded. Decision Unit E-453 recommended a General Fund appropriation to fund the Statewide Suicide Awareness and Prevention Program for the 2005-07 biennium.

Mr. Combs advised that the budget recommended \$18,600 in each year of the biennium for contract support. Through discussions with Department representatives and written information provided by them, Mr. Combs said it appeared the \$18,600 would fund a part-time contract clerical position. Mr. Combs pointed out that typically a part-time position, rather than a contract position, would be requested for 1,200 hours of clerical support. An analysis of the current ratio of clerical-to-professional staff revealed that adding another half-time secretarial position might not be warranted.

Mr. Combs provided the following two options for consideration:

- Eliminate the \$18,600 recommended for contract services in each year of the biennium and direct the Department to absorb the additional workload with its current support staff during the 2005-07 biennium.
- Reduce the expenditures to an amount less than the \$18,600 included in The Executive Budget, and authorize the Department to use the funding to hire temporary clerical support on an as-needed basis.

Mr. Combs recommended that if the Subcommittee wished to approve either of the options, the Department be directed to track support staff workload over the biennium. If the workload generated by the Suicide Awareness and Prevention Program supported the need for additional support staff, Mr. Combs indicated the Department should include a request for a state-approved permanent position in its budget request for the 2007-09 biennium.

With respect to other closing issues, Mr. Combs addressed the issue of unexpended fiscal year 2005 MAXIMUS funds, which was extensively discussed in a previous hearing. Mr. Combs advised that the Senate had approved the use of those unexpended funds to offset the increased cost of the maintenance of effort (MOE) requirement for the Substance Abuse Prevention and Treatment Block Grant in fiscal year 2005. As approved by the Senate, S.B. 89, which included the supplemental for the maintenance of effort

requirement, was reduced by \$260,000 to \$261,620 because of the availability of the uncommitted MAXIMUS funds.

With respect to the issue of creating a cost allocation plan for services provided to other budgets, Mr. Combs indicated that there were a number of cost allocation issues in the Director's Office accounts. Mr. Combs recommended that staff be provided the authority to make technical adjustments to the cost allocation revenue received in the Director's budget account based on the final full committee closings for the various budget accounts.

Decision Unit E-710 recommended General Funds totaling \$40,199 in fiscal year 2005-06 and \$1,626 in fiscal year 2006-07 for equipment replacement costs. Mr. Combs advised that staff worked with Department representatives to reduce the request based on the Department of Information Technology (DoIT) replacement schedule. The request was reduced to two personal computers and two laptop computers in the first year of the biennium and two personal computers in the second year of the biennium. The adjustments, which were agreed to by Department representatives, would reduce the cost for Decision Unit E-710 by \$9,740 over the biennium.

Decision Unit E-720 recommended \$7,566 in fiscal year 2005-06 for two new laptop computers for the auditor positions. Staff recommended a reduction in cost to \$6,664 based on updated pricing information from the Purchasing Division. Mr. Combs pointed out that, in part, the adjustments in Decision Unit E-710 were based on the two new computers in E-720. The personal computers used by the auditor positions were less than two years old and could be transferred to other positions in the Department.

Mr. Combs indicated budget amendment number 43, provided by the Budget Division, proposed to transfer \$125,000 in federal Head Start funds from the Welfare Division, Child Welfare and Assistance, Budget Account 3267, to Budget Account 3150. Mr. Combs explained that the backup documentation and amendment suggested the Department was attempting to respond to federal government concerns to include the program in a higher profile budget account and to ensure that funds were spent in a timely manner. Based on the information provided, Mr. Combs indicated the amendment appeared reasonable and did not have an impact on the General Fund.

Assemblywoman Barbara Buckley, District 8, addressed the Subcommittee regarding funding affordable assisted living facilities intended for Nevada's senior population.

Ms. Buckley advised that current assisted living facilities, ranging in cost from \$3,000 to \$4,000 a month, remained unaffordable for many senior citizens whose only income was a Social Security check. Ms. Buckley asked for the Subcommittee's consideration of an allocation from MAXIMUS funds to help "facilitate" future nonprofit assisted living projects.

While past legislative interim studies had studied the issue of affordable assisted living facilities, Ms. Buckley advised that, in conjunction with representatives of the Department of Business and Industry's State Housing Division and the State Department of Human Resources, she had worked to develop a nonprofit affordable assisted living program for Nevada seniors. The Model Assisted Living Advisory Committee (MALAC) was created in 2002 to develop a model, affordable, nonprofit assisted living facility, Silver Sky. A

brochure ([Exhibit B](#)) detailing a history of the project was distributed to the Subcommittee.

Ms. Buckley advised that one source of funding for the project was provided by the Low Income Housing Tax Credit Program, administered by the Department of Business and Industry's State Housing Division. Investors, who purchased the low income tax credits, however, expressed concern regarding "the viability and sustainability of the investment project," and wanted a guarantee for their investment dollars. In order to satisfy investors' concerns, Ms. Buckley said the Department of Human Resources, Aging Services Division, agreed to use Independent Living Grant, Tobacco Settlement Funds to ensure the availability of funding and set up an account to help guarantee and facilitate affordable nonprofit assisted living projects.

Ms. Buckley asked for the Subcommittee's consideration to provide MAXIMUS funding to facilitate future nonprofit affordable assisted living projects. If authorized, Ms. Buckley indicated the one-time request for MAXIMUS funding, with no continuing commitment from the state, would assist in eventually providing affordable assisted living facilities throughout the entire state.

Ms. Buckley advised that Mike Willden, Director, Department of Human Resources, and Mary Liveratti, Deputy Director, Department of Human Resources, had assisted in defining the request and were available to respond to questions.

Chairwoman Leslie indicated it was her understanding that approximately \$260,000 remained in unexpended MAXIMUS funding and asked how much of the funding was being requested.

Ms. Buckley indicated she would leave the funding level to the Subcommittee's determination as other needs were balanced.

Assemblywoman Giunchigliani advised that she, too, served on "a nonprofit senior housing board" and indicated that it might be time to explore other revenue streams, such as low income housing funds that could be matched or weatherization income funds that were not being utilized.

Ms. Buckley advised that Chas Horsey, Administrator, Housing Division, Department of Business and Industry, in developing the priorities for the Low Income Housing Trust Fund, identified affordable assisted living as one of the top housing needs for seniors.

Ms. Buckley also commented on [A.B. 248](#), which requested that a portion of the money the Department of Aging Services received from the Independent Living, Tobacco Settlement Funds be earmarked for affordable assisted living since it ranked with affordable prescription drugs as the number one need for seniors in Nevada. The funding request in [A.B. 248](#) was reduced to \$50,000 with the recommendation that additional funds might be available from MAXIMUS.

Ms. Giunchigliani indicated that funding a portion of the Aging Services Division Community Home-Based Initiatives Program (CHIP) with General Fund rather than Tobacco Settlement money was under discussion, and, if approved, would provide some additional revenue for other projects.

Expressing some familiarity with Nevada H.A.N.D. Inc., Assemblyman Denis indicated the general contractor for the Silver Sky project would do a good job. Mr. Denis asked if the Silver Sky project qualified for Community Development Block Grant (CDBG) funding and if funding similar to the funds provided by the City of Las Vegas were available from Clark County.

Ms. Buckley advised that because the Silver Sky project was sited in Las Vegas, the City of Las Vegas donated \$1 million of its U. S. Department of Housing and Urban Development (HUD) HOME funds, but Clark County declined a donation since funds had been received from the City. Additionally, Ms. Buckley advised that CDBG funds as well as "five or six" other sources of financing would be available for future projects.

Senator Raggio indicated he failed to see the nexus between closing the Department of Human Resources Administration Budget Account 3150 and the request for MAXIMUS funding. Senator Raggio pointed out that the available \$260,000 in MAXIMUS funding would be utilized if S.B. 89 was approved to fund a shortfall in money from an increased cost in 2005 of the maintenance of effort requirement for the Substance Abuse Prevention and Treatment Block Grant.

Although worthy of consideration, Senator Raggio said it appeared a bill should have been drafted to request an appropriation, as had been requested in S.B. 89. Senator Raggio recalled that the Joint Subcommittee on Human Resources/K-12 determined, during the 2003 Legislative Session, that MAXIMUS funding, if available, would fund a list of requests, one of which was for the Bureau of Alcohol and Drug Abuse (BADA).

Chairwoman Leslie indicated the budget closing would not be held up, but both Assemblywoman Buckley and Assemblyman Hettrick had requested an opportunity to propose their requests for MAXIMUS funding, and the hearing before the Joint Subcommittee appeared an appropriate time to hear their proposals.

Assemblyman Lynn Hettrick, District 39, testified that during the 2003 Legislative Session, a decision was made to fund two suicide prevention programs with MAXIMUS money. The Douglas County Suicide Prevention Network was appropriated \$100,000 based on receipt of available funding from MAXIMUS.

Mr. Hettrick advised that the Douglas County Suicide Prevention Network was recognized for their work in suicide prevention training for state and local governments as well as church and private groups. The Network conducted their work as agreed and was currently without funds after expending their entire budget in anticipation of receipt of MAXIMUS funding. Although not guaranteed, Mr. Hettrick indicated it was believed the funding would be provided, or an alternative funding method would have been explored.

Although indicating he understood Senator Raggio's points, Mr. Hettrick advised that an obligation existed to provide the funding. With suicide a major issue in Nevada, Mr. Hettrick said the Douglas County Suicide Prevention Network needed funding to continue their work and appearing before the Subcommittee provided an opportunity to present the request.

Senator Raggio advised that the Department of Human Resources was "absolutely mandated" to fund the maintenance of effort (MOE) requirement for

the Substance Abuse Prevention and Treatment Block Grant. Additionally, Senator Raggio pointed out that the programs approved during the 2003 Legislative Session for MAXIMUS funding were approved with the understanding the appropriation was contingent upon receipt of MAXIMUS funding, which at that time was subsidizing.

Senator Raggio suggested drafting an appropriation bill for \$100,000 to fund the program and indicated sufficient time remained in the legislative session to do so.

Mr. Hettrick reiterated that the availability of MAXIMUS funding, in the budget being discussed before the Subcommittee, provided the opportunity to propose a request and at least provide the nexus to the fact that MAXIMUS funding was promised. Mr. Hettrick indicated again he did not disagree with the points raised by Senator Raggio and would attempt to secure a bill draft for the funding the Douglas County Suicide Prevention Network needed to continue their operation.

Senator Mathews agreed that some help had to be provided to assist with funding the Douglas County Suicide Prevention Network.

Senator Cegavske asked if there would be any coordination between the Crisis Hotline for Suicide Prevention and the new position for the Statewide Suicide Prevention Program in Decision Unit E-453.

Mike Willden, Director, Department of Human Resources, indicated coordination would take place between the Crisis Call Line in Reno and the Statewide Suicide Prevention Program. Mr. Willden said the Statewide Suicide Coordinator and the Suicide Prevention Trainer/Network Facilitator would be placed "under one umbrella," with the Coordinator in the Carson City office and Trainer/Network Facilitator position in Las Vegas.

Mr. Willden said that the request for funding for the Statewide Suicide Awareness and Prevention Program mirrored legislation approved in S.B. 49, Seventy-Second Legislative Session, which would have been funded by MAXIMUS if sufficient funds had been received.

In response to additional questions concerning staff and the hotline, Mr. Willden advised that the Crisis Call Line was currently in use statewide, but there was no staff employed in Mental Health and Developmental Services (MHDS) that responded to the nonprofit Crisis Call Line or with the suicide prevention activity in the MHDS budget. Mr. Willden further advised that funding was provided through grants distributed through the Division for the Crisis Call Line. Mr. Willden explained that the reason staff was not included in the MHDS budget was that mental health issues existed in the Division of Child and Family Services' (DCFS) budget as well. A determination was made to place the Statewide Suicide Awareness and Prevention Program in the Director's Office in order to coordinate statewide suicide prevention and training activities.

In response to additional questions Senator Cegavske asked, Chairwoman Leslie advised that, although there had been some initial issues, a contract with Crisis Call had been in place for several years although Nevada did not have a suicide prevention plan, or a way to coordinate prevention activities.

Mr. Willden said that since the availability of MAXIMUS funding was limited, the Department of Human Resources was in the process of applying for grants to

secure funding and indicated it was anticipated the Department would return to the Legislature in a future session to tell legislators grant funding had been received and the General Fund need could be decreased.

Senator Cegavske indicated she had additional questions but would confer with Mr. Willden after the hearing.

Chairwoman Leslie suggested a review of the "Study of Suicide Prevention Bulletin No. 03-11, January 2003" ([Exhibit C](#)). The study recommended the same two positions requested in the budget.

Chairwoman Leslie took issue with the \$18,600 recommended for clerical support and explained she remained unconvinced of the need, especially as the program was just beginning.

Chairwoman Leslie recommended the Subcommittee close Budget Account 101—3150 as recommended by staff with the option to eliminate \$18,600 for clerical support. Chairwoman Leslie suggested the Department representatives return to the 2007 Legislature with documentation for a clerical position and extended an opportunity for Department representatives to provide an opposing view.

Mr. Willden indicated the Department was willing to accept the recommendation and "to make it work."

ASSEMBLYWOMAN SMITH MOVED APPROVAL TO CLOSE THE DEPARTMENT OF HUMAN RESOURCES ADMINISTRATION BUDGET ACCOUNT 101-3150 AS RECOMMENDED BY STAFF WITH THE OPTION TO ELIMINATE \$18,600 FOR CLERICAL SUPPORT.

Chairwoman Leslie clarified, for the record, the motion for approval included:

- Decision Unit E-451 – New Public Information Officer Position
- Decision Unit E-710 - Equipment Replacement
- Decision Unit E-720 – Two Laptop Computers
- Decision Unit E-811 – Unclassified Salary Adjustment – to be considered by the joint money committees when the Governor's statewide unclassified salary proposal was addressed
- Budget Amendment 43 proposed to transfer federal Head Start funds from Budget Account 3267, Welfare Division's Child Welfare and Assistance Budget to Budget Account 101-3150, Department of Human Resources Administration

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Senator Cegavske asked for information regarding the life expectancy and replacement of the laptop computer equipment recommended in Decision Unit E-720.

Mr. Combs advised that the Department of Information Technology (DoIT) recommended a life expectancy of three to four years, but typically a laptop computer required replacement after four years.

In response to additional questions from Senator Cegavske regarding computer equipment upgrades, Mr. Denis explained that upgraded software required additional hardware capacity, which made replacing the equipment less expensive. Additionally, Mr. Denis explained that eventually equipment reached a point at which it was difficult to maintain, out of warranty, and lacked the necessary support.

\* \* \* \* \*

Department of Human Resources, Developmental Disabilities, Budget  
Account 101-3154 – Budget Page HR ADMIN-9

Rick Combs, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that there were two major closing issues related to the Developmental Disabilities budget.

With respect to the first issue regarding General Funds that matched a Federal Developmental Disabilities grant, Mr. Combs advised that The Executive Budget recommended an additional \$45,509 from the State General Fund for each year of the 2005-07 biennium to match a Federal Developmental Disabilities grant that required a 25 percent cash or in-kind match. Mr. Combs said the adjustment was brought to the Subcommittee's attention since the grant was currently being matched, in part, with funds provided in the Personal Assistant Services (PAS) program in the Community Based Services budget and that some clients were receiving services from both programs during the grant award period.

Mr. Combs explained that the agency request indicated the clients in the PAS program were not considered a "predictable and reliable source for matching purposes." Given that "a significant" General Fund appropriation was added to the Community Based Services account to address waiting lists for the PAS program, Mr. Combs indicated the Subcommittee asked Department representatives if the past practice of using PAS services as an in-kind match could be reinstated.

Mr. Combs advised that the Department's response indicated that using PAS services for an in-kind match did not appear to meet federal requirements for the match since PAS activities were not approved by the Governor's Council on Developmental Disabilities and they were of a service delivery nature, which differed from the goals of the program. Mr. Combs indicated an email from Department representatives, received before the hearing, provided the information that indicated PAS services for an in-kind match did not meet federal requirements.

Since the formal opinion regarding the match for the Developmental Disabilities grant had not yet been received, Mr. Combs provided the following options for the Subcommittee's consideration:

- Approve the additional \$45,509 from the General Fund recommended in the base budget for the matching requirement, or



- Delete the additional \$45,509 based on the past practice of using PAS services provided in the Community Based Services account to fund a portion of the match requirement.

Mr. Combs pointed out that if the Subcommittee decided on the past practice of using PAS services' funds and the federal government determined at a future date the PAS services could not be used as an in-kind match, the agency would need to approach the Interim Finance Committee to request a Contingency Fund allocation to make up the difference.

Senator Raggio discussed approving the \$45,509 in each year of the biennium contingent upon the receipt of an opinion indicating it was not feasible to use PAS services expenditures for the match. However, if the opinion indicated it was permissible to use funding from the PAS services for the match, the \$45,509 in each year would not be funded.

Mr. Combs advised that the option provided by Senator Raggio was appropriate since it was anticipated the opinion would be received prior to full committee closings.

Chairwoman Leslie agreed with the option provided by Senator Raggio, but expressed some skepticism that a federal government opinion would be received as quickly as anticipated.

The second major closing issue addressed by Mr. Combs was the transfer of a Rehabilitation Program Specialist II position from the Community Based Services budget account to the Developmental Disabilities budget account.

Mr. Combs reported that the Department had indicated the position should be transferred to the Developmental Disabilities account because it was the major source of funding for the position in the coming biennium. The budget recommended funding 57 percent of the costs for the position with Developmental Disability grant funds in fiscal year 2005-06 and 88 percent of the costs for the position in 2006-07.

The remainder of the costs for the position would be funded in each year of the biennium through a federal Money Follows the Person grant received in the Community Based Services account. Mr. Combs advised that the Money Follows the Person grant was expected to be terminated during fiscal year 2006-07, and there was some indication the amount of the grant was being reduced over the course of the biennium, which resulted in the budget funding an increased percentage of the cost for the position.

Mr. Combs indicated he had no concerns with the transfer of the position to the Developmental Disabilities budget account since the position was already serving as the "Housing Coordinator for the Office of Disability Services and the Governor's Council on Developmental Disabilities." Given the fact the funding source for the position would be changed over time, Mr. Combs indicated the recommendation to transfer the position should be considered as equivalent to a request for a new position.

Mr. Combs asked the Subcommittee to consider approving the transfer of the Rehabilitation Program Specialist II position from the Community Based Services budget account to the Developmental Disabilities budget account.

With respect to other closing issues, Mr. Combs advised that he had worked with the Department on the out-of-state travel issue discussed during the Subcommittee hearing. Mr. Combs advised that \$4,424 was requested in each year of the biennium for out-of-state travel, and the agency projected expenditures of \$3,282 in the current fiscal year. Based on projected expenditures for fiscal year 2005 and discussions with the agency regarding future out-of-state travel needs, Mr. Combs said the agency had agreed to reduce the request to \$3,600 per year.

Additionally, Mr. Combs advised that Decision Unit E-710 recommended replacement of a personal computer in fiscal year 2005-06 and two personal computers in fiscal year 2007. Mr. Combs explained the expenditures had been adjusted to reflect the Purchasing Division's updated pricing information for computer hardware and software.

Additionally, Mr. Combs advised that the General Fund appropriation had been reduced by \$9,427 in fiscal year 2005-06 and \$9,647 in fiscal year 2006-07 to equal the match requirement for the projected Federal Developmental Disabilities grant amounts. Mr. Combs advised that the federal funds for the program could not exceed 75 percent of program costs, and the state General Fund match requirement was exactly 25 percent.

SENATOR CEGAVSKE MOVED TO CLOSE THE DEVELOPMENTAL DISABILITIES BUDGET ACCOUNT 101-3154 AS RECOMMENDED BY STAFF WITH THE ADDITIONAL CONTINGENCY THAT IF A LEGAL OPINION WAS RECEIVED THAT STATED THE PAST PRACTICE OF AN IN-KIND MATCH WAS ACCEPTABLE, THE GENERAL FUND APPROPRIATION WOULD BE DELETED, AND TO ACCEPT THE TRANSFER OF THE REHABILITATION PROGRAM SPECIALIST POSITION FROM THE COMMUNITY BASED SERVICES ACCOUNT.

MR. DENIS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Raggio and Assemblywoman Giunchigliani were not present for the vote.)

Department of Human Resources, Community Based Services, Budget Account 101-3266- Budget Page HR ADMIN-14

Rick Combs, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, advised that there were two major closing issues related to the Community Based Services budget account.

The first issue was related to Decision Unit M-540, which recommended an increase in General Fund support of approximately \$1.9 million in fiscal year 2005-06 and approximately \$2.2 million in fiscal year 2006-07 to address waiting lists for the Personal Assistance Services, Traumatic Brain Injury, and Independent Living Services Programs.

Mr. Combs said the funding to reduce the waiting lists for Personal Assistance Services (PAS) totaled \$1.1 million in fiscal year 2005-06 and \$1.5 million in fiscal year 2006-07. Additionally, Mr. Combs reported that a review of the current caseload information appeared to support the requested funding for the biennium.

Mr. Combs advised that if the Subcommittee wished to reduce the waiting lists, as recommended by the Legislative Committee on Persons with Disabilities, the issue for the Subcommittee to decide was whether to approve \$1.1 million in fiscal year 2005-06 and \$1.5 million in fiscal year 2006-07.

With respect to the Traumatic Brain Injury Program, Mr. Combs advised that based on updated waiting list data, the projected number of clients who would require services during the 2005-07 biennium was reduced from 73 clients to 67 clients. Additionally, Mr. Combs said the cost per case could be reduced from \$19,652 to \$16,264 based on the average cost per case over the last two years. Based on the adjustments, the cost for the increased Traumatic Brain Injury services was reduced by \$172,448 per year to \$277,844 per year.

With respect to the Independent Living Services program, Mr. Combs advised that a similar adjustment to reduce the wait time could be accomplished with less funding than was included in the Governor's recommended budget. The adjustment resulted in a reduction of \$113,611 over the biennium.

The second major issue Mr. Combs discussed was the increase in the hourly rate for Personal Assistance Services (PAS). Mr. Combs advised that Decision Unit E-429 recommended an increase in the hourly rate from \$17.00 to \$18.50 for providing PAS. The Subcommittee was reminded that the Governor's budget did not include funding needed to provide a similar increase in the Health Care Financing and Policy's Nevada Medicaid budget and the Aging Services Division's Senior Services Program budget.

In response to a question from Senator Mathews regarding the hourly rate for Personal Assistance Services, Mr. Combs confirmed the hourly wage was provided to the caregiver.

Chairwoman Leslie recalled hearing, during a previous discussion, the hourly rate was paid to the agency, and the agency was not necessarily obligated to pass the entire amount on to the worker. The Chairwoman asked Mr. Combs to continue and indicated she would call on Department representatives to respond to Senator Mathews' question when Mr. Combs concluded his presentation.

Mr. Combs advised that the recommendation for a \$1.50 increase in the first year of the biennium increased the hourly rate to \$18.50 for the entire biennium. Based on the budgeted amount, Mr. Combs said that approximately \$3.1 million would be needed over the biennium from the General Fund to provide a similar increase in the Medicaid and Aging Services Division budgets.

Mr. Combs advised that the closing document was prepared with a phased-in approach increasing the rate by \$0.75 in the first year of the biennium and an additional \$0.75 in the second year. Although not suggesting that the Subcommittee close the budget with an increase of \$0.75 in each year of the biennium, Mr. Combs indicated the \$1.50 an hour increase was the minimum amount that would help address the increased General Fund appropriation that would need to be included in the Medicaid and Aging Services Division budgets.

Mr. Combs indicated he had also adjusted the hourly rate increase to \$0.75 in the first and second year to address waiting lists for Independent Living services, Decision Unit M-540, and that the General Fund savings in fiscal year 2005-06 would total approximately \$1.1 million.

With respect to other closing issues, Mr. Combs advised that:

- Decision Unit M-504 recommended \$5,478 from the General Fund for travel expenses in each year of the 2005-07 biennium for the Personal Assistance Services Advisory Committee. Mr. Combs advised that, based on a review of the figures, the recommendation appeared reasonable.
- Decision Unit E-710 included funding to replace one personal computer in fiscal year 2005-2006 and three personal computers in fiscal year 2006-07. The expenditures had been adjusted to reflect updated Purchasing Division pricing information for computer hardware and software.
- Decision Unit E-901 recommended the transfer of a Rehabilitation Program Specialist II position from the Community Based Services, Budget Account 101-3266, to the Developmental Disabilities, Budget Account 101-3154, which was the position transfer approved earlier in the hearing.

Returning to the issue of the hourly rate for Personal Assistance Services, Chairwoman Leslie called on the Director of the Department of Human Resources to respond to Senator Mathews' question regarding the hourly rate paid to caregivers.

Mike Willden, Director, Department of Human Resources, advised that Department of Human Resources' agencies were provided funding to recruit, employ, train, and oversee the caregivers, and the agencies paid the individual caregivers. Mr. Willden indicated the employing agency ensured that an increase would be provided to the caregiver and not to the agency. Mr. Willden explained that although there were several bills related to the additional regulation of agencies' training and oversight, the result of the legislation would be balanced with ensuring that as much of the raise as possible would go to the caregiver and not to the agency.

Senator Mathews requested information regarding the entry-level hourly rate paid to a caregiver.

Todd Butterworth, Chief, Office of Disability Services, Department of Human Resources, provided information regarding the difference between the Department's programs and the Medicaid budget.

Mr. Butterworth explained that the Department's program was contracted through one single agency, the St. Mary's Foundation, which provided a clear representation of the hourly rate paid to caregivers and the increased hourly rate. During the last two years the Department contracted with St. Mary's, Mr. Butterworth indicated St. Mary's had not received an increase in the hourly rate, although pay raises of 3 to 5 percent had been provided to caregivers. Mr. Butterworth indicated he believed the hourly rate was in the \$10 to \$11 an hour range, and the entry level was approximately \$10 an hour. Additionally, Mr. Butterworth indicated that each caregiver who worked at least 16 hours a week had access to health care benefits on a sliding scale.

In response to Assemblywoman Giunchigliani, who asked if the caregivers received Workers' Compensation, Mr. Butterworth indicated Workers'

Compensation was paid for the individuals employed in the Department's program but was uncertain whether workers in the Medicaid program received Workers' Compensation benefits.

Mr. Willden advised that Workers' Compensation was paid to caregivers employed under the other budgets as well.

In response to additional questions Ms. Giunchigliani asked regarding how much of the hourly rate the caregivers received, Mr. Butterworth reiterated that individual caregivers' wages were in the \$10 to \$11 range in addition to "benefits and other perquisites." Mr. Butterworth also advised that the program's administrative overhead was 8 to 10 percent and St. Mary's, showing a "real dedication" to the program, took less than 5 percent for overhead expenses.

Ms. Giunchigliani questioned whether the administrative overhead was restricted to a certain percentage rate.

Mr. Butterworth indicated the percentage rate was not typically more than 10 percent and was less than 1 percent in the first year of the contract with St. Mary's.

Ms. Giunchigliani discussed a recent National Public Radio news story regarding Personal Care Assistants who received less than minimum wage and were about to walk out on their jobs. Ms. Giunchigliani indicated she "hoped" something could be done to ensure that the increase in the hourly rate was provided to the caregivers.

Senator Titus expressed her support for the increase in the hourly rate for Personal Assistance Services, which she indicated was a primary recommendation of the Interim Legislative Committee on Persons with Disabilities and the Governor's Advisory Committee on Personal Assistance for Persons with Severe Functional Disabilities.

In an effort to reduce the additional General Fund appropriation needed to fund the rate increase in the budgets in which the increase was not included, Chairwoman Leslie recommended adopting the staff recommendation to phase-in the \$1.50 per hour increase over the biennium. A phased-in approach would provide an increase of \$0.75 in fiscal year 2005-06 and an additional \$0.75 increase in fiscal year 2006-07, and a General Fund savings of \$1.1 million.

Mr. Willden expressed agreement with the recommendation, which he indicated would assist in offsetting the impact to the Aging Services and Medicaid budgets.

In response to a question from Senator Cegavske regarding S.B. 187, Mr. Butterworth advised that S.B. 187 related to providing the members of the Advisory Committee on Traumatic Brain Injury per diem and travel expenses. Mr. Butterworth advised that discussion had taken place regarding possibly using \$4,136 of the \$172,448 that had been saved in the Traumatic Brain Injury Program to fund the Advisory Committee's travel and per diem allowance.

Senator Titus advised that a recommendation by the Interim Legislative Committee on Persons with Disabilities to create the Advisory Committee on Traumatic Brain Injury resulted in S.B. 187. Senator Titus asked if funding

could be transferred from the \$172,448 per year saved in the Traumatic Brain Injury Program to provide the \$4,136 a year needed to fund the Advisory Committee.

Chairwoman Leslie advised that the money committees would have an opportunity to review S.B. 187 in committee.

Chairwoman Leslie asked Mr. Butterworth to address a plan being discussed to provide additional assistance to some individuals with traumatic brain injury.

Mr. Butterworth advised that there were some "relatively independent" individuals who needed assistance with tasks, such as paying bills or ensuring medications were properly taken. Since the Traumatic Brain Injury Program revolved around rehabilitation, Mr. Butterworth indicated the Personal Assistance Program regulations could be amended to incorporate queuing, a service that might include a phone call to an individual reminding them of a task, or an hour or two a week in the home with the individual to assist with paying bills, or meal preparation. Mr. Butterworth advised that the investment would yield "huge dividends in keeping people independent and helping themselves."

Ms. Giunchigliani asked if additional funds would be required to provide the queuing service.

Mr. Butterworth advised that although the Department would not ask for additional funds, the demand for queuing services was unknown. Until the demand was determined, Mr. Butterworth indicated funds to support the service would be taken out of the program.

Ms. Giunchigliani indicated that a record of expenditures that could be provided during the 2007 Legislative Session would be helpful.

Mr. Butterworth responded that a comprehensive database was maintained for the clients being served, and that information from the database could be provided.

Chairwoman Leslie recommended that the database be continued and if a huge demand materialized, the request for services should be included in the Department's budget preparation for the 2007 Legislative Session.

SENATOR CEGAVSKE MOVED TO CLOSE THE COMMUNITY  
BASED SERVICES BUDGET ACCOUNT 101-3266 AS  
RECOMMENDED BY STAFF. THE PERSONAL ASSISTANCE  
SERVICES HOURLY RATE PAID TO CAREGIVERS WOULD BE  
INCREASED BY \$0.75 IN EACH FISCAL YEAR OF THE 2005-07  
BIENNIUM, AND THE INCREASE WOULD ALSO APPLY TO THE  
AGING SERVICES DIVISION SENIOR SERVICES PROGRAM,  
BUDGET ACCOUNT 101-3146, AND THE NEVADA MEDICAID  
BUDGET ACCOUNT 101-3243.

ASSEMBLYWOMAN GIUNCHIGLIANI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

Department of Human Resources, Nevada Blue Cross Blue Shield Settlement,  
Budget Account 101-3241- Budget Page HR ADMIN-29

Rick Combs, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), advised that Budget Account 101-3241 was established as a "pass-through" account for the Blue Cross Blue Shield Settlement funds that were expected to continue at \$150,000 a year for the next two years.

Mr. Combs further advised that The Executive Budget recommended transferring the annual settlement payment to the Check Up budget, which reduced the General Fund appropriation for that budget by the same amount in each year of the 2005-07 biennium.

Mr. Combs recommended closing the budget as recommended by the Governor.

\*\*\*\*\*

SENATOR CEGAVSKE MOVED TO CLOSE BUDGET  
ACCOUNT 101-3241 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Department of Human Resources, Nevada Grants Management Unit, Budget  
Account 101-3195 - Budget Page HR ADMIN-30

Rick Combs, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), advised that major closing issues included:

- Title XX transfers-out exceeded revenues received in the Aging Services Homemaker Account
- Establishment of Problem Gambling Program

With respect to the Title XX issue, Mr. Combs said that although the Title XX funds transferred from Budget Account 101-3195 to the Aging Services Division Homemaker Program, Budget Account 101-3152, were budgeted at \$3,074,672 in fiscal year 2005-06 and \$3,067,814 in fiscal year 2006-07, the Title XX revenues in the Aging Services Division Homemaker account were only budgeted at \$2,599,337 in each year of the biennium, a difference of \$475,335 in fiscal year 2005-06 and \$468,477 in fiscal year 2006-07.

Mr. Combs indicated the Subcommittee, in a previous hearing, had discussed two options for the use of the unallocated Title XX funds:

- The first option was to use unallocated Title XX funds to reduce the General Fund appropriations recommended in the Aging Services Division Homemaker account.

Mr. Combs advised that some expenditures in the previous biennium were funded with tobacco revenue, and a 2003 Letter of Intent asked the Division of Aging Services to look for other revenue sources to fund expenses. With no other revenue sources available, The Executive Budget recommended replacing the tobacco revenues with General Fund appropriations, which Mr. Combs advised could be reduced using the unallocated Title XX revenues.

- The second option was to use the unallocated Title XX funds from Budget Account 101-3195 to increase expenditures for grants to non-state nonprofit organizations. The Governor's recommended budget included \$915,292 in each year of the biennium for the provision of community-based social services.
- A third option was to use the unallocated Title XX funds to replace the Temporary Assistance to Needy Families (TANF) reserve, which was depleted after the rise in caseload following the September 11, 2001, terrorist attacks. Mr. Combs explained that a reduction of the TANF transfer into Budget Account 101-3195 by \$475,335 for fiscal year 2005-06 and by \$468,477 for fiscal year 2006-07, would allow the Welfare Division to retain the TANF funds to begin re-establishing a small TANF "rainy day" reserve.

Moving on to the second major closing issue, the establishment of a Problem Gambling Program, Mr. Combs advised that The Executive Budget recommended a total of \$200,000 to establish a Problem Gambling Program within the Department of Human Resources, Director's Office. Funding would be provided with \$100,000 from the General Fund and \$100,000 in gifts and donations.

Mr. Combs advised the members of the Subcommittee that S.B. 357 would establish an Advisory Committee on Problem Gambling and create a revolving account to support programs for prevention and treatment of problem gambling. The bill would require the Nevada Gaming Commission to deposit into the account a portion of "slot license fees," collected for the next two years of the biennium, to support the program. The Department of Human Resources would administer the revolving account, but Mr. Combs indicated it appeared that S.B. 357, in its current form, would prohibit the use of the revolving account for administrative expenses. Additionally, Mr. Combs advised that S.B. 357 had been referred to the Senate Committee on Finance, and, in its current form, would have an impact on General Fund revenue of over \$800,000 in the first year of the biennium and \$1.7 million in the second year.

Mr. Combs advised that the recommendation for the \$100,000 in General Funds and \$100,000 in gifts and donations could be approved by the Subcommittee, subject to the money committees each separately considering S.B. 357. If action was taken on the bill, Mr. Combs said the money committees could consider reducing the General Fund appropriation in the account to offset the fiscal note for the bill, or using the General Fund appropriation, or gifts and donations' revenue for administrative expenses.

With respect to other closing issues, Mr. Combs provided the following information:

- Decision Unit E-452 would consolidate the three different advisory groups currently advising the Grants Management Unit into one advisory group. Senate Bill 297, which would create the Grants Management Advisory Committee within the Department of Human Resources, was passed out of committee with a "do pass" recommendation, and from a budgetary standpoint, Mr. Combs said the recommendation appeared reasonable.
- Decision Units E-500 and E-901 recommended the reestablishment of the Children's Trust Fund account. The Trust Fund account was transferred



into the Grants Management Unit account during the 2003 Legislative Session, but was recommended to be transferred to a separate budget account, which Mr. Combs indicated he would explain during his presentation on Budget Account 101-3201.

- Decision Unit E-710 recommended a reduction in various program expenditures totaling \$3,452 in fiscal year 2005-06 and \$3,064 in fiscal year 2006-07 to fund the replacement of two personal computers in each year of the biennium. Mr. Combs advised that technical adjustments had been made in Decision Units E-710, E-500, E-800, and E-901 based on reduced pricing information.
- Decision Unit E-811 recommended changes to the unclassified service to provide consistency and equity between similar positions, which Mr. Combs indicated would be addressed in full committee.

Mr. Combs requested the authority to make any technical adjustments necessary to the budget, as a result of closing the Fund for a Healthy Nevada, Budget Account 262-3261.

As previously discussed by Mr. Combs, Chairwoman Leslie advised that Title XX funds transferred out exceeded revenue received in the Aging Services Division Homemaker Program, a difference of \$475,335 in fiscal year 2005-06 and \$468,477 in fiscal year 2006-07.

Although indicating a TANF reserve was important, Chairwoman Leslie expressed her support for Options 1 and 2 and possibly dividing the unallocated Title XX funds between the two options.

Chairwoman Leslie acknowledged the need to replace tobacco revenue and indicated that using the unallocated Title XX funds for the Aging Services Homemaker account would be a good start. Additionally, Chairwoman Leslie pointed out that the non-state nonprofit organizations provided community-based social services at a low cost, also an important function to the state.

Senator Raggio expressed support for Option 2 and Option 3, but indicated that it appeared funding would be available to TANF as a result of reduced caseload. Senator Raggio indicated he was prepared to move approval for the first option to use the unallocated Title XX funds to reduce the General Fund appropriations recommended in the Aging Services Homemaker account.

Chairwoman Leslie called for additional discussion before a motion was taken and indicated there appeared to be agreement regarding the unallocated Title XX funds and the TANF Reserve. Chairwoman Leslie asked if the Subcommittee could reach agreement on one of the following recommendations:

- Use the unallocated funds to replace tobacco revenue in the Aging Services Homemaker account.
- Increase expenditures for grants to non-state nonprofit agencies that provided community-based services.
- Divide the funding between Options 1 and 2.

Ms. Giunchigliani expressed her support for Option 2 that would increase expenditures for grants to non-state nonprofit agencies.

Chairwoman Leslie provided the following summary regarding support for the options:

- Senator Raggio supported Option 1, which would reduce the General Fund appropriation in the Aging Services Division Homemaker budget.
- Ms. Giunchigliani supported Option 2, which would increase expenditures for grants to non-state nonprofit agencies.
- Chairwoman Leslie suggested dividing the funding between Options 1 and 2.

Senator Cegavske expressed support for the first option, but asked for additional information on splitting the funding.

Mr. Combs explained that, if the Subcommittee so desired, 50 percent of the unallocated funds would be provided to Options 1 and 2.

Ms. Giunchigliani indicated it appeared the Assembly and Senate members might choose to close the budget separately and provided the following motion.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO CLOSE BUDGET ACCOUNT 101-3195 USING 50 PERCENT OF THE UNALLOCATED FUNDS TO REPLACE TOBACCO SETTLEMENT REVENUE IN THE AGING SERVICES HOMEMAKER ACCOUNT AND 50 PERCENT OF THE UNALLOCATED FUNDS TO INCREASE EXPENDITURES FOR GRANTS TO NON-STATE AGENCIES.

MR. DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY BY THE ASSEMBLY.

SENATOR RAGGIO MOVED TO CLOSE BUDGET ACCOUNT 101-3195 USING THE UNALLOCATED FUNDS TO REDUCE THE GENERAL FUND APPROPRIATIONS RECOMMENDED IN THE AGING SERVICES HOMEMAKER ACCOUNT PURSUANT TO A 2003 LETTER OF INTENT THAT ASKED THE DIVISION OF AGING SERVICES TO LOOK FOR REVENUE SOURCES OTHER THAN TOBACCO SETTLEMENT FUNDS.

SENATOR MATHEWS SECONDED THE MOTION.

THE MOTION CARRIED BY THE SENATE. (Senator Titus voted nay.)

\* \* \* \* \*

With respect to the second closing issue, Chairwoman Leslie indicated it might be wise to hold a decision on establishment of a Problem Gambling Program until S.B. 357 was heard in the Senate Committee on Finance.

In response to a request from Ms. Giunchigliani for clarification regarding S.B.357, Mr. Combs advised that the \$200,000 recommended in The Executive Budget would provide start-up funds, and S.B. 357 would provide \$800,000 in

the first year of the biennium and \$1.7 million in the second year of the biennium to fund prevention and treatment programs.

Chairwoman Leslie indicated the decision before the Subcommittee was whether to accept The Executive Budget recommendation to fund the account with \$100,000 from the General Fund and \$100,000 in gifts and donations.

Senator Raggio suggested that the Senate members of the Subcommittee delay acting on the portion of Budget 101-3195 establishing a Problem Gambling Program until S.B. 357 was heard. Senator Raggio explained that closing the budget with a minimal amount of funding might preclude action on the bill.

Chairwoman Leslie agreed and after confirmation from Mr. Combs indicated the remainder of the issues in Budget Account 101-3195 could be closed and the establishment of a Problem Gambling Program could be attended to at a later date.

SENATOR CEGAVSKE MOVED TO CLOSE THE REMAINING ISSUES IN BUDGET ACCOUNT 101-3195 AND TO HOLD THE EXECUTIVE BUDGET RECOMMENDATION FOR \$100,000 IN GENERAL FUNDS AND \$100,000 IN GIFTS AND DONATIONS UNTIL S.B. 357 WAS CONSIDERED BY THE MONEY COMMITTEES.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\*\*\*\*\*

Department of Human Resources, Nevada Children's Trust Account, Budget Account 101-3201 - Budget Page HR ADMIN-40

Rick Combs, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), advised that, as indicated in earlier testimony, the Nevada Children's Trust Account budget was being reestablished. The only adjustments were based on an updated projection of the estimated balance forward from fiscal year 2004-05 to fiscal year 2005-06. Additionally, Mr. Combs indicated revenues and expenditures had been adjusted to match the transfer of Children's Trust Fund revenues and expenditures from the Grants Management Unit.

SENATOR CEGAVSKE MOVED TO CLOSE THE BUDGET WITH TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\*\*\*\*\*

With respect to the Fund for a Healthy Nevada, Budget Account 262-3261, which also included the Senior Rx Program, Mr. Combs advised that during a work session in March 2005, representatives of the Department of Human Resources advised that The Executive Budget had over projected unused

Healthy Nevada funding by approximately \$2.1 million in the second year of the biennium.

Mr. Combs advised that inflationary increases of 15 percent per year for fiscal year 2005 from the actual fiscal year 2004 figure increased the cost of prescription drugs to \$1.8 million in the first year of the biennium and \$3.2 million in the second year. Mr. Combs advised that increasing the per-member per-month cost by the inflationary factor would significantly affect the base budget and reduced funding in some of the decision units could impact the budget as a whole.

Mr. Combs further advised that staff was in the process of analyzing information that suggested the reason for the increased prescription drug expenditures had more to do with the utilization of drugs by individuals than the increased cost of prescriptions. Although the cost of drugs was increasing at a rate higher than the rate of inflation, individuals were using more prescription medicine than in the past. Mr. Combs advised that projections based on per capita expenditures for prescription medicine were being considered.

Additionally, Mr. Combs advised that the Medicaid budget and the Mental Health and Developmental Services budget also had prescription drug components with built-in growth rates that were lower than the growth rate built into the Fund for a Healthy Nevada. Mr. Combs indicated that several different options for a rate increase would be provided to the Subcommittee in a subsequent hearing.

Mr. Combs also discussed funding recommended in The Executive Budget for enrollment increases. Enrollment had slowed since the budget was submitted and, based on new projections, Mr. Combs advised that he and Department representatives had mutually arrived at a 5.6 percent increase in the first year of the biennium and a 5.3 percent the second year. However, where to begin applying the new revised growth rates had yet to be resolved.

Another major issue Mr. Combs addressed was that the administrative costs in the Fund for a Healthy Nevada would exceed the 3 percent cap. Mr. Combs advised that A.B. 524, which would increase the cap to 5 percent, was approved "Do Pass" in the Assembly Committee on Human Services and re-referred to the Assembly Committee on Ways and Means.

Department of Human Resources' estimates indicated that the Fund for a Healthy Nevada would be approximately \$25,000 over the cap in the first year of the biennium and \$45,000 over in the second year. Mr. Combs indicated options regarding increasing the cap would be brought to the Subcommittee's attention in subsequent hearings.

Chairwoman Leslie advised that A.B. 524 would be heard in the Assembly Committee on Ways and Means on April 15, 2005.

Chairwoman Leslie adjourned the hearing at 10:02 a.m.

RESPECTFULLY SUBMITTED:

\_\_\_\_\_  
Connie Davis  
Committee Attaché

APPROVED BY:

\_\_\_\_\_  
Assemblywoman Sheila Leslie, Chairwoman

DATE: \_\_\_\_\_

<u>EXHIBITS</u>			
<b>Committee Name:</b> <u>Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on K-12/Human Resources</u>			
<b>Date:</b> <u>April 14, 2005</u>		<b>Time of Meeting:</b> <u>8:00 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B	Assemblywoman Barbara Buckley	"Silver Sky affordable assisted living for seniors"
	C	Assemblywoman Leslie	Study of Suicide Prevention, Bulletin 03-11