

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

**Seventy-third Session
May 6, 2005**

The Joint Subcommittee on Human Resources/K-12 of the Assembly Committee on Ways and Means and the Senate Committee on Finance was called to order at 8:55 a.m. on Friday, May 6, 2005. Chair Sheila Leslie presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

ASSEMBLY COMMITTEE MEMBERS PRESENT:

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

SENATE COMMITTEE MEMBERS PRESENT:

Senator Barbara K. Cegavske, Chair
Senator William J. Raggio
Senator Dina Titus
Senator Bernice Mathews

STAFF MEMBERS PRESENT:

Steven J. Abba, Principal Deputy Fiscal Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Larry L. Peri, Senior Program Analyst
Anne Vorderbruggen, Committee Secretary

OTHERS PRESENT:

Julie A. Butler, Budget Analyst, Budget Division, Department of Administration
Alexander Haartz, M.P.H., Administrator, Health Division, Department of Human Resources
Jone M. Bosworth, J.D., Administrator, Division of Child and Family Services, Department of Human Resources
Michael J. Willden, Director, Department of Human Resources

CHAIR LESLIE:

We have some outstanding issues to discuss today in the "Joint Subcommittee on K-12, Human Resources Closing List #6" ([Exhibit C](#), original is on file at the [Research Library](#)). First is the Federal Medical Assistance Percentage (FMAP) rate.

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

When the Subcommittee recommended closure of the budgets for the Division of Mental Health and Developmental Services on April 29, 2005, there was a

change in the FMAP requirement which increased the cost to the General Fund. The information supplied to staff, which they brought to the Subcommittee, indicated an increase in General Fund support of \$432,627 in fiscal year (FY) 2007. Subsequently, staff was provided clarifying information which indicated the cost to the General Fund in FY 2007 is \$706,457 or \$273,830 more than what was presented to the Subcommittee on April 29, 2005. Staff is bringing this information to the Subcommittee so you are aware of the difference in the funding requirements. There is no option as to whether or not the state provides the matching funds. This will be a cost to the state due to the change in the FMAP rate.

SENATOR RAGGIO:

I agree with staff. When the leadership of the Legislature had a briefing with the Governor recently, this was one of the issues they recognized. Would someone from the Budget Division verify that \$706,457 is the amount of the increase in General Funds?

JULIE A. BUTLER (Budget Analyst, Budget Division, Department of Administration):

Yes, that is the correct number.

CHAIR LESLIE:

Do we need a motion to change that number?

MR. GHIGGERI:

No. We merely want to let the Subcommittee know so there will be no surprises when it comes back to the full committee for closing.

CHAIR LESLIE:

We expect you will make the technical adjustments as needed throughout the budgets.

HEALTH

HR, Sexually Transmitted Disease Control — Budget Page HEALTH-66
(Volume II)

Budget Account 101-3215

STEPHEN J. ABBA (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Budget account 101-3215 is on page 4 of [Exhibit C](#). There is one major issue for this budget account. The issue is the General Fund appropriation for AIDS medication. In this account, the General Fund appropriation for the AIDS Drug Assistance Program (ADAP) supplements federal funds that are used for AIDS medications. In the Governor's *Executive Budget*, there is approximately \$1.35 million recommended for each fiscal year of the biennium. That is the same amount as the FY 2004 actual. The U.S. Department of Health and Human Services' Health Resources and Services Administration (HRSA) requires a maintenance of effort (MOE) based on the state's prior year funding for ADAP. In other words, if additional General Funds are provided and spent, a new MOE level is created that must be met by the state.

In previous hearings, the Health Division has provided information that perhaps a waiting list will be incurred for ADAP drugs beginning sometime during FY 2006. Based upon the Division's projections, it is estimated that up to 48 clients could be placed on a waiting list for 2006 and up to 131 clients in FY 2007. That estimate was based upon caseload projections growing at a 9-percent rate. Currently, the available funding, both federal and state, serves approximately 881 clients. The General Fund cost to add the additional caseload the Health Division projects could be placed on a waiting list is \$483,000 in FY 2006 and \$1.3 million in FY 2007 for a biennial total of \$1.8 million.

The Fiscal Analysis Division has looked at this information and has developed an alternative scenario for the Subcommittee's review. We have broken down the ADAP caseload into different age cohorts and compared it to information received from the office of the State demographer on population growth. Based upon that information, and using information received from the Division on ADAP medication costs, we have developed an alternative caseload scenario for your consideration. Based upon our analysis, and assuming that the current funds would serve 881 clients, an additional 38 clients could be added in FY 2006 and up to 65 clients in FY 2007. The table in the middle of page 5 of [Exhibit C](#) illustrates the additional clients that would be served based on this analysis and the General Fund costs over what is included in the *Executive Budget*. To serve 38 additional clients, the total cost would be \$385,320 in FY 2006 and for up to 65 additional clients in FY 2007, the cost would be \$665,340 for a total of \$1 million. The HRSA grant fluctuates but there has been an upward trend over the years. If the grant goes up 2 percent annually, the General Fund cost would go down to \$746,332 over the biennium.

We have given the Subcommittee four options for your consideration. The options would be to approve this budget account, as recommended by the Governor, with \$1.35 million in each year of the biennium for ADAP medications with the understanding that a waiting list would probably occur the first fiscal year of the biennium. Another option is to approve additional General Funds in the approximate amount of \$1.8 million for the biennium based upon the Health Division's estimated caseload. Third is the option I just presented which is to approve the Fiscal Analysis Division's projected caseload scenario. This would add \$746,332 over the biennium and serve approximately 103 additional clients. The fourth option is to issue a Letter of Intent notifying the Division they should seek an Interim Finance Committee (IFC) Contingency Fund allocation in case a waiting list occurs.

Whichever option is chosen, the Fiscal Analysis Division recommends that language be added to the General Appropriations Act to allow the Division to transfer General Fund money between fiscal years. This provides some additional flexibility to handle caseload fluctuations.

SENATOR RAGGIO:

Is it in compliance with the MOE if we were to issue a Letter of Intent and allow the Division access to the Contingency Fund for these medications if a waiting list should occur?

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MR. ABBA:

The Division is currently in compliance with the MOE based upon the amount of money that is recommended. If any additional General Fund dollars are added and spent in this account, it becomes a new threshold level for the MOE in the future.

SENATOR RAGGIO:

I think it is better to adopt the Governor's recommendation and give the Division access to the IFC, but I wanted to make sure it is in compliance.

ASSEMBLYWOMAN GIUNCHIGLIANI:

I think everyone on this Subcommittee supports trying to make sure a waiting list is not created. As a compromise, I suggest we consider the third option. That assures individuals they will have access rather than having to wait for the Division to come to the IFC.

SENATOR RAGGIO:

I do not think we should raise the threshold at this point. We do not want to raise the threshold for the MOE when it may not be necessary. I suggest we get the actual amount that is going to be required for the next budget process.

CHAIR LESLIE:

Is the MOE affected when we appropriate the funds or when the funds are actually used?

MR. ABBA:

It is my understanding the MOE is affected only if the money is actually spent.

CHAIR LESLIE:

I note that Mr. Alexander Haartz, Administrator of the Health Division, is nodding his head in concurrence with your statement that the MOE is affected only if the money is spent. I would be in favor of Ms. Giunchigliani's suggestion to consider the third option. The money would be available if someone needs the service and the Division would be able to access it immediately.

The requirement that you only get federal money if you establish a waiting list concerns me. I have e-mailed Washington, D.C. about this.

ASSEMBLYMAN DENIS:

It is my understanding that if we were to approve any of these options, the MOE would not be affected unless we spend the money. If we were to approve the third option and the Division needed more money later, could they go to the IFC?

CHAIR LESLIE:

Yes, the suggestion would be that we approve the third and fourth options. If there are fewer people, we will spend less money, but if the caseload goes up, we would want the Division to be able to go to the IFC and explain the problem. I would also suggest that we approve adding language to the General Appropriations Act which would allow the Division to transfer money between years to be able to deal with the caseload fluctuations.

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ASSEMBLYWOMAN WEBER:

Is the purpose of the waiting list to establish some sort of eligibility or are there more people than we can handle who would be eligible?

ALEXANDER HAARTZ, M.P.H. (Administrator, Health Division, Department of Human Resources):

The waiting list is for individuals who would otherwise be eligible, but there are no resources to provide those services.

ASSEMBLYWOMAN GIUNCHIGLIANI MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3215 WITH ADDITIONAL GENERAL FUND SUPPORT IN THE AMOUNT OF \$284,549 FOR FY 2006 AND \$461,783 FOR FY 2007 WHICH REPRESENTS THE ADDITIONAL COSTS FOR CASELOAD GROWTH AS PROJECTED BY THE FISCAL ANALYSIS DIVISION; ISSUE A LETTER OF INTENT INVITING THE HEALTH DIVISION TO REQUEST AN IFC CONTINGENCY FUND ALLOCATION IN THE EVENT CASELOAD GROWTH FOR ADAP MEDICATIONS INCREASES BEYOND AVAILABLE RESOURCES AND A WAITING LIST FOR THE SERVICES BECOMES A NECESSITY; AND RECOMMEND THAT LANGUAGE BE ADDED TO THE GENERAL APPROPRIATIONS ACT WHICH WOULD ALLOW THE HEALTH DIVISION TO TRANSFER THE GENERAL FUND ALLOCATION APPROVED FOR ADAP MEDICATIONS BETWEEN FISCAL YEARS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

SENATOR RAGGIO:

I am going to vote against the motion. I support the fourth option which would approve the Governor's recommendation but allow access to the IFC for additional resources if the caseload indicates the necessity.

CHAIR CEGAVSKE:

I also support the fourth option as described by Senator Raggio.

ASSEMBLYWOMAN GANSERT:

Are there limited funds in the IFC Contingency Fund?

MR. GHIGGERI:

There is \$12 million in the Contingency Fund.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN SMITH WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION FAILED. (SENATORS RAGGIO AND CEGAVSKE VOTED NO.)

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SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3215 AS RECOMMENDED BY THE GOVERNOR; ISSUE A LETTER OF INTENT INVITING THE HEALTH DIVISION TO REQUEST AN IFC CONTINGENCY FUND ALLOCATION IN

THE EVENT CASELOAD GROWTH FOR ADAP MEDICATIONS INCREASES BEYOND AVAILABLE RESOURCES AND A WAITING LIST FOR THE SERVICES BECOMES A NECESSITY; AND RECOMMEND THAT LANGUAGE BE ADDED TO THE GENERAL APPROPRIATIONS ACT WHICH WOULD ALLOW THE HEALTH DIVISION TO TRANSFER THE GENERAL FUND ALLOCATION APPROVED FOR ADAP MEDICATIONS BETWEEN FISCAL YEARS.

SENATOR CEGAVSKE SECONDED THE MOTION.

SENATE: THE MOTION FAILED. (SENATORS TITUS AND MATHEWS VOTED NO.)

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SENATOR MATHEWS:

My concern is you are talking about establishing a waiting list. These are people who need treatment.

CHAIR LESLIE:

The Senate has not closed budget account 101-3215.

AGING SERVICES

HR, Senior Services Program — Budget Page AGING-13 (Volume II)
Budget Account 101-3146

CHAIR LESLIE:

The Assembly closed budget account 101-3146, so I will turn the meeting over to Chair Cegavske to take a motion from the Senate side of the Subcommittee.

CHAIR CEGAVSKE:

The Senate will probably hold this budget account again. The Assembly closed this account removing half of the tobacco settlement funding and putting General Funds in, and the Senate did not. If there were another motion, the vote would probably be the same as last time.

ASSEMBLYWOMAN GIUNCHIGLIANI:

What was the Senate's objection to the motion? Was the objection to using General Funds? I thought the use of the tobacco settlement money was a temporary item because we did not have the funding in the General Fund at that time.

SENATOR RAGGIO:

The Senate voted to recommend closure of this budget account based on the budget submitted by the Governor which utilized tobacco settlement money as part of the funding.

ASSEMBLYWOMAN GIUNCHIGLIANI:

Recognizing that those in the Community Home Based Initiatives Program (CHIP) are our most vulnerable seniors, does it not make sense to fund the program with stable funds rather than tobacco settlement money?

CHAIR CEGAVSKE:

The money is there. If you take it out, you will just put it in another program. Why not leave the money where it is?

ASSEMBLYWOMAN GIUNCHIGLIANI:

The tobacco settlement money was never intended for that program. That is why we should make the appropriate changes when we have the funding. Our most vulnerable seniors should not be at risk of not getting the CHIP services because of the tobacco settlement money.

CHAIR LESLIE:

This is a philosophical difference. The Senate will hold this budget account.

CHILD AND FAMILY SERVICES

HR, Child and Family Services Administration — Budget Page DCFS-6
(Volume II)
Budget Account 101-3145

LARRY L. PERI (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Budget account 101-3145 is on page 12 of [Exhibit C](#). When the Subcommittee met on April 27, 2005, they recommended closure of everything in this budget account with the exception of the first item under Discussion of Closing Issues on page 13 of [Exhibit C](#). This is the addition of 15 new full-time equivalent (FTE) positions over the biennium for the rural region to lower the staffing ratios from 1:28, at which they are currently funded, to 1:22 in the first year of the biennium and 1:19 in the second year of the biennium. The Subcommittee had questions about the current vacant positions. The Division of Child and Family Services provided a response to the questions. Their response is included beginning on page 16 of [Exhibit C](#). In summary, the Division acknowledged there are currently eight vacant positions for social workers. Six of the positions have been vacant less than a month to approximately four and one-half months, and two of the positions are referred to by the Division as chronically vacant. They are located in Lovelock and Fallon. The Lovelock position has been vacant since July 1, 2002, a period of two years and ten months. The Fallon position has been vacant since August 2004, approximately eight and one-half months.

The reasons the Division gave for the retention problems consist of professionals preferring to practice their profession in an urban rather than a rural area of the state, employees migrating to Washoe and Clark Counties which offer higher salaries and enhanced benefits, the significant travel time between sites and clients and lack of daily on-site supervision in one-person offices in Lovelock, Tonopah, Hawthorne and Battle Mountain. Several suggestions have been provided by the Division. The options include prioritizing the hiring of the recommended new social worker positions through a team approach. This plan would assign at least two staff to the existing one-person offices in some of the more remote areas of the state. In order to implement this, the Division has requested a phased-in approach to hiring the recommended 15 new positions. Phase 1 would authorize 8 FTEs effective October 1, 2005. The budget currently recommends that 13 positions start on October 1, 2005. Phase II would authorize three additional positions effective in

January 2006. Phase III would add two positions effective April 2006, and the final phase would authorize two FTEs at the beginning of FY 2007. Those positions are currently recommended for an October start date in the *Executive Budget*. If the Division is unable to fill the new positions with licensed professionals within six months of the authorization of the positions, the utilization of other classifications has been discussed, potentially utilizing developmental specialists and family services specialists. Those classifications require core skills needed by child welfare case managers. If this strategy were to be pursued, the Division would ensure that licensed social workers provide supervision for those classes.

The Division also provided information on a joint effort with the Department of Personnel to develop a recruitment and retention plan for the rural region. They are hoping to secure grant funding to implement that plan.

CHAIR CEGAVSKE:

It is a concern when you see there are positions they have not been able to fill for almost three years. I am also concerned with hiring less-qualified employees, but I understand the hiring concerns. One of the recommendations would be to phase in the positions as indicated with semiannual reports to the IFC. Does the Division want the availability to use other classifications now, or is it just a suggestion to look at a different type of licensing for those positions?

MR. PERI:

It is my interpretation that if the positions are approved and they are unable to fill them within a six-month period from the beginning of their authorization, the Division would propose to consider utilizing the other classifications.

CHAIR CEGAVSKE:

Could we legally fill those positions with unlicensed personnel?

CHAIR LESLIE:

I think it is legal. Clark County is currently not using licensed social workers. I disagree with that policy.

CHAIR CEGAVSKE:

Is that because we cannot get the social workers?

CHAIR LESLIE:

I have never been convinced of that. Since I am from Washoe County, I figured that was not my battle. This is my battle and I do not like that part of the plan. I can understand the team approach. We should look at new creative solutions. What Washoe County does with human services support specialist (HSSS) workers is not the same as a licensed social worker. The HSSS workers are great, but I do not want us staffing rural Nevada with HSSS-type workers. The phase-in approach is good and I would like you to come back to the IFC. My intent would be that you not go to an alternative to hire less-qualified people.

CHAIR CEGAVSKE:

Would it be appropriate for us to get information on how not using licensed social workers is working in Clark County?

CHAIR LESLIE:

We have heard testimony in the interim that they think it works in Clark County. I am not sure it parallels what the suggestion might be for rural Nevada. Rural Nevada issues are different.

ASSEMBLYWOMAN GIUNCHIGLIANI:

Social workers should get the two-grade increase. There are many groups in the Governor's *Executive Budget* being recommended for the two-grade increase that are not having a retention or turnover problem and social workers are. That should be part of what we consider.

We have discussed establishing a policy in our budgets that if a position has been vacant for six or nine months, we would eliminate it. Then they would have to come back and justify the need for the position rather than to keep the positions on the books and allow the vacancy savings to accrue without knowing how many employees we actually have. Maybe we could bring this up for discussion in both full committees.

CHAIR LESLIE:

I agree with you on both points. I think the Senate has expressed concern in this Subcommittee about vacancies, so perhaps they would be willing to discuss that in the Senate Committee on Finance. With regard to the social workers, two years ago when the Governor adjusted some positions because of high turnover, we saw numbers in the pre-session overview that showed social workers had the highest, or the second highest, turnover rate in the state. Yet, they did not receive the two-grade increase. We have discussed the inability to hire social workers in other budget accounts. I do not know how we can address it at this time because if we did in this budget account, we would have to do it for all the social workers. I would support an upgrade for social workers and suggest we set this issue aside and think about how the two committees could give the social workers an appropriate upgrade.

ASSEMBLYWOMAN GANSERT:

Instead of doing the two-grade increase, I suggest we develop a strategic plan of how to address the problem of the turnover and what the needs are. We have been doing that in other areas such as the signing bonuses for teachers. The statement on page 13 of [Exhibit C](#) also concerned me regarding the higher salaries and enhanced benefits in Washoe and Clark Counties that are driving personnel to the urban areas and away from the rural areas. This could also be addressed in a strategic plan.

CHAIR LESLIE:

We definitely need to do more work on this. Rural Nevada is a great place. Social work is a tough job, and doing it by yourself in Lovelock is probably not the right way to go.

JONE M. BOSWORTH, J.D. (Administrator, Division of Child and Family Services, Department of Human Resources):

There is about a 16-percent average turnover rate for social workers nationally. It is a chronic nationwide problem. One important thing that has not been pointed out is when you have a vacancy, someone else has to fill that role and

it has a domino effect. The existing staff have to cover the other caseloads and that creates stress for them.

CHAIR LESLIE:

Maybe we should restructure some of the work so there is more support staff, such as HSSS workers, to perform some of the duties for which social workers are not required. I am not saying an alternate plan would not work. I am uncomfortable hiring lesser-qualified staff, especially when they would be on their own in a small community. That bothers me, but the decision before us today is how to close this item.

SENATOR CEGAVSKE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE DECISION UNIT E-459 OF BUDGET ACCOUNT 101-3145 WITH PHASING IN THE HIRING OF THE 15 NEW FTE POSITIONS AS REQUESTED BY THE DIVISION AND AS INDICATED ON PAGE 13 OF [EXHIBIT C](#), WITH SEMIANNUAL REPORTS TO THE IFC, AND DIRECTION TO THE DIVISION TO COME BACK FOR APPROVAL TO CHANGE THE CLASSIFICATIONS OF THE POSITIONS IF NECESSARY.

SENATOR RAGGIO SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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HR, Rural Child Welfare — Budget Page DCFS-55 (Volume II)
Budget Account 101-3229

MR. PERI:

Budget account 101-3229 is on page 22 of [Exhibit C](#). The decision the Subcommittee just made regarding the 15 FTE positions in budget account 101-3145 has a transfer decision unit attached to it, because the intent is to transfer those positions into budget account 101-3229 for rural child welfare services. Decision unit E-933 on page 23 of [Exhibit C](#) is discussed in item 2 under Other Closing Items. In this decision unit, we are requesting approval to implement the outcome of the Subcommittee's action to approve the 15 new FTE positions.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE THAT DECISION UNIT E-933 OF BUDGET ACCOUNT 101-3229 BE CLOSED AS RECOMMENDED BY STAFF.

SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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HR, Youth Alternative Placement — Budget Page DCFS-84 (Volume II)
Budget Account 101-3147

MR. PERI:

Budget account 101-3147 was held by the Subcommittee at its last hearing. I will go over the closing issues for your consideration. The China Spring Youth Camp requested restoration of the historical funding ratio of 36.8-percent General Fund support and 63.2-percent county funds for the coming biennium. The cost to restore that historical ratio to the Governor's recommended budget would require additional General Fund support of \$169,341 in each year of the 2005-2007 biennium for a total of \$338,682.

Douglas County also asked for enhancements to the China Spring and Aurora Pines Girls' Facility budgets. Those enhancement increases total \$461,502 in FY 2006 and \$527,563 in FY 2007. They include merit salary increases for existing staff, utility and food cost increases and the addition of six new FTE staff. The General Fund portion of the enhancement request, utilizing the historical ratio, would be \$169,833 in the first year of the biennium and \$194,143 in the second year of the biennium, or a total of \$363,976. The grand total of additional General Fund support required to address these two requests by the China Spring Youth Camp would be \$702,658. A copy of an itemized breakdown of the requested enhancement amounts is attached to [Exhibit C](#) beginning on page 27.

This budget was also held at the last meeting based on a request for additional detailed information from the Spring Mountain Youth Camp for the additional \$1.4 million in General Funds they had requested over the upcoming biennium. Clark County representatives provided additional information which is attached to [Exhibit C](#) beginning on page 29. It consists of a narrative description and itemization of the request, as well as the total proposed budget for the Spring Mountain Youth Camp in the upcoming biennium. Clark County is requesting funding to be used to provide after-care services to youth transitioning out of the camp back to the community. It would involve a total of three new FTE positions and other costs with the intention of providing supervision and assistance to youth being released back into the community to reduce the risk that they will reoffend. Clark County currently does not have a program of this nature.

SENATOR RAGGIO:

These facilities are important to the process of dealing with juvenile offenders. If the counties were to withdraw their support of the facilities, the state would have to assume the full burden. The state facilities serve an important purpose, but the county facilities are less constrained and less restrictive. The courts would prefer placements at these facilities rather than the more confined and strict state facilities. The issue of where they are placed is also important in restructuring the lives of these young offenders. I am supportive of seeing to it that appropriate funding is provided and would fully support the request that we restore the historical funding ratio.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3147 RESTORING THE HISTORICAL FUNDING RATIO TO THE GOVERNOR'S RECOMMENDED BUDGET AND ADDING THE ENHANCEMENT REQUESTS FOR THE CHINA SPRING AND AURORA PINES GIRLS FACILITY BUDGETS TO THE HIGH-PRIORITY LIST FOR DISCUSSION LATER IN THE SESSION.

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SENATOR CEGAVSKE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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HR, Caliente Youth Center — Budget Page DCFS-92 (Volume II)
Budget Account 101-3179

MR. PERI:

The second paragraph, under Other Closing Items on page 34 of [Exhibit C](#), summarizes the action taken during the April 27, 2005, Subcommittee meeting. The Assembly recommended closure of this budget account by approving the 12 new FTE staff recommended in decision unit M-502 to reduce the staff-to-client ratio to 1:8. They also accepted staff's recommendation for technical adjustments and adjustments to salaries and approved a bill draft request to clarify the allowance for payment of a housing stipend in lieu of a house for the superintendents of the state training centers. The Assembly closed this budget with those actions; the Senate did not close this budget at the last hearing.

CHAIR CEGAVSKE:

I believe we can leave the staff-to-client ratio at 1:10. It is within the federal guidelines. That was the reason I voted against the motion at the last meeting. Was the intent to have the housing stipend only in the first year of the biennium?

MR. PERI:

There was no vote on the housing stipend issue. The Base Budget includes \$10,800 in each year of the biennium for the housing stipend. This is tied to the proposed unclassified salary increase in decision unit E-811 on which the Subcommittee took no action. We have discussed this issue with the Department of Human Resources and their preference is summarized on page 34 of [Exhibit C](#).

CHAIR LESLIE:

I understand your objection to the staff-to-client ratio of 1:8. The Assembly approved the Governor's recommendation and the Senate wanted to remain at the higher ratio. Why do you want to make the superintendents' salaries all the same? Summit View Youth Correctional Center is quite different from the other two facilities.

MICHAEL J. WILLDEN (Director, Department of Human Resources):
Summit View Youth Correctional Center is a 96-bed secure-fenced facility.

CHAIR LESLIE:

It is for the most difficult juveniles in the state. It is basically a youth prison.

MR. WILLDEN:

That is correct. Caliente Youth Center is a 140-bed staff-secure facility, and the Nevada Youth Training Center in Elko is a 160-bed staff-secure facility. All three superintendent positions are unclassified. We want to have consistency. There

are pros and cons. They all have complexities. We do not want to be in the housing and perquisite business. We would like to level the salaries. We would raise the salary for the superintendent at the Nevada Youth Training Center in Elko and take his house away. We would use the house for our administrative needs as a step-down type going-home independent-living facility. We do not have a house to offer at the Caliente Youth Center. We would like to take away all those perquisites and level the salaries.

CHAIR LESLIE:

What about the recruitment issues. To get someone to move to Caliente, as beautiful as it is, is an issue. In Clark County you have an opposite issue where the salaries are high compared to other places. I am concerned that leveling the positions is going to make it worse for everyone.

MR. WILLDEN:

We were able to get three excellent individuals for the three facilities at the current salaries. I do not understand for which one you think it will be worse.

CHAIR LESLIE:

What is the salary you are proposing for the three superintendents?

MR. WILLDEN:

The proposed salary is \$87,000. The superintendent of Summit View Youth Correctional Center would get a small raise and the superintendents of the Caliente Youth Center and Nevada Youth Training Center would each receive approximately an \$8,000 or \$9,000 raise to bring them up to the Summit View Youth Correctional Center. We would be taking away their housing, utility support and all the perquisites in chapter 63 of the *Nevada Revised Statutes* (NRS).

CHAIR LESLIE:

If we were to make everyone's salary the same, would the housing stipend be removed from this budget?

MR. PERI:

The Assembly approved the recommendation to ask for a bill draft request which would allow the payment of a stipend in lieu of a house. Chapter 63 of the NRS would have to be amended.

CHAIR LESLIE:

By statute, they are currently entitled to a house. If we are going to take away the perquisite, we would have to change the statute.

MR. WILLDEN:

The statute now says if a house is available, they would get it. I agree we should get rid of that language in the statute.

MR. PERI:

Based on discussions with Mr. Willden, if you were to approve this concept, our recommendation would be to allow the \$10,800 to remain in the first year of the biennium but not in the second year because the Department has indicated they would try to achieve their objective of equal salaries and removal of the

perquisite for the home prior to the beginning of the second year of the biennium.

SENATOR RAGGIO:

Is that conditioned upon what is done with the unclassified salaries? If that does not occur, what would you want?

MR. WILLDEN:

If the salaries for the superintendents at the Nevada Youth Training Center at Elko and the Caliente Youth Center are not adjusted upward to the \$87,000 level, I believe the perquisites are appropriate. I would still recommend getting out of the housing business in Elko and provide the rural superintendents with a cash perquisite. We should not be in the housing management business.

SENATOR RAGGIO:

I think the answer is that if we are going to do away with the perquisites, we do it on the condition that a subsidy will be provided if the salaries are not adjusted accordingly.

CHAIR LESLIE:

That would resolve the issue. The Senate still has the issue of the staff-to-client ratio. The Assembly closed this budget account with the Governor's recommended budget and the Senate did not.

CHAIR CEGAVSKE:

We will bring this budget account to the full Senate Committee on Finance.

CHAIR LESLIE:

The Senate will continue to hold on budget account 101-3179.

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Budget Account 101-3259

CHAIR LESLIE:

We will move to the Nevada Youth Training Center budget account. We have the same issue here regarding the staff-to-client ratio. There is also one other issue.

MR. PERI:

Budget account 101-3259 is on page 36 of [Exhibit C](#). During the last Subcommittee hearing, the Assembly closed this budget by not accepting budget amendment No. 69 from the Budget Division. This budget amendment would have removed the funding in decision unit M-425 of \$500,000 in the first year of the biennium for sidewalk renovation. The Assembly also approved 15 new positions recommended in decision unit M-502 to reduce the staff-to-client ratio. They also accepted the remaining staff recommendations in the budget account including technical adjustments. The Senate did not close the budget account.

CHAIR CEGAVSKE:

We will also hold budget account 101-3259 for the full Senate Committee on Finance.

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MR. GHIGGERI:

We have just received budget amendment No. 72 from the Budget Division. This budget amendment adds back in the \$500,000 for the sidewalks in decision unit M-425. I wanted to bring this to the Subcommittee's attention.

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(Volume II)
Budget Account 101-3281

MR. PERI:

The last paragraph, on page 40 of [Exhibit C](#), summarizes the actions taken on budget account 101-3281 during the last Subcommittee hearing. The Assembly closed this budget account by approving the 9.04 new FTE positions recommended in decision unit E-452 to relieve and reduce waiting lists. The Assembly also approved three new positions recommended in decision unit E-453 which were included by the Governor for utilization review and accepted the closing recommendations and technical adjustments recommended by staff. The Assembly also approved the conversion of the Wraparound in Nevada (WIN) program from contract employees to state employees. That was not recommended in the *Executive Budget*. The Governor has recommended the continuance of the WIN program through the current contractual arrangement. In decision unit E-908, the Governor has recommended to transfer \$1,540,102 in each year of the biennium into this account to continue the program.

The Assembly discussed, and ultimately approved, the conversion of the contract employees to state employees. At that meeting I was asked for an estimate of the cost of that conversion and I gave a quick ballpark figure of about \$1.4 million in additional General Fund support over the upcoming biennium. Since that time, we have worked with the Division and have refined the estimate. The estimate is about one-half of the original estimate, or around \$700,000, in additional General Fund money. That is because of the differences in the way the agency request was built versus the way we have designed the revised budget.

During the last hearing, the Assembly also requested additional information on the turnover of contract personnel. The response from the Division is attached to [Exhibit C](#) beginning on page 41. The testimony, received during the hearing, was that the contract personnel within the WIN program experienced about a 20-percent turnover rate. The attached information shows that statewide the turnover rate is averaging about 34 percent.

CHAIR LESLIE:

The chart, on page 43 of [Exhibit C](#), which illustrates the turnover rate, is shocking. The turnover rate is 42 percent in northern Nevada and 44 percent in rural Nevada. The rate of 29 percent in southern Nevada is more reasonable which one would expect in an urban area.

CHAIR CEGAVSKE:

We will hold budget account 101-3281 for the full Senate Committee on Finance.

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Budget Account 101-3646

MR. PERI:

The issues in budget account 101-3646 are similar to the previous budget account. At the bottom of page 47 of [Exhibit C](#) is a summary of what occurred at the April 27, 2005, Subcommittee hearing. The Assembly closed this budget by approving the 11.51 FTE new positions recommended in decision unit E-453 and the 5 new FTE positions recommended in decision unit E-454. The Assembly also accepted the closing recommendations suggested by staff and approved the conversion of the WIN program from contract to state employees. The Senate did not close this budget.

CHAIR CEGAVSKE:

We will also hold budget account 101-3646 for the Senate Committee on Finance.

CHAIR LESLIE:

There being no further business to come before the Subcommittee at this time, the meeting is adjourned at 9:59 a.m.

RESPECTFULLY SUBMITTED:

Anne Vorderbruggen,
Committee Secretary

APPROVED BY:

Assemblywoman Sheila Leslie, Chair

DATE: _____

Senator Barbara K. Cegavske, Chair

DATE: _____