

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

**Seventy-Fourth Session
April 27, 2007**

The Assembly Committee on Ways and Means and the Senate Committee on Finance, Joint Subcommittee on K-12/Human Services was called to order by Chair Sheila Leslie. at 8:10 a.m., on Friday, April 27, 2007, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblywoman Sheila Leslie, Chair
Assemblywoman Barbara E. Buckley
Assemblyman Mo Denis
Assemblywoman Heidi S. Gansert
Assemblywoman Debbie Smith
Assemblywoman Valerie E. Weber

SENATE COMMITTEE MEMBERS PRESENT:

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

STAFF MEMBERS PRESENT:

Gary Ghiggeri, Senate Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Michael Chapman, Senior Program Analyst
Rick Combs, Program Analyst
Christine Bashaw, Committee Secretary
Patricia Adams, Committee Assistant



Chairwoman Leslie advised that the Subcommittee would consider budget closings in Health and Human Services which included Mental Health and Developmental Services, Aging Services, and the Public Defender.

DIVISION OF MENTAL HEALTH AND DEVELOPMENTAL SERVICES

BUDGET CLOSINGS

Chairwoman Leslie asked the staff to present an overview which outlined general issues because it affected all the budgets, and then as each budget was discussed, there would be specific issues to consider.

Michael Chapman, Senior Program Analyst, Fiscal Analysis Division, stated that there were a number of items that covered several of the Mental Health and Developmental Services (MHDS) budgets. Mr. Chapman said the Federal Funds Information for States (FFIS) recently released its Federal Medical Assistance Percent (FMAP) projections for fiscal year (FY) 2009. This increased the Medicaid reimbursements to the State, which would reduce General Fund appropriations in FY 2009 for the Division by \$1.37 million. For the mental health agencies, the increase in Title XIX funds was \$114,251. Mr. Chapman said staff recommended that the Subcommittee accept those adjustments.

Mr. Chapman noted the significant increases in medication costs were a combination of adjustments reflecting inflation adjustments [M101], caseload changes [M200], and additional inpatient beds in Clark County. In decision unit M101, the Governor recommended a medication inflation rate of 7.25 percent in FY 2008 and 7.75 percent in FY 2009. Mr. Chapman stated the information was derived from information from Express Scripts, a large national pharmacy benefits manager. Previously, the Department of Health and Human Services (DHHS) had relied on information provided by Centers for Medicare and Medicaid Services (CMS). However, the Department believed the inflation rates projected by Express Scripts better isolated price increases and changes in utilization. Mr. Chapman explained that staff conducted a separate review and arrived at similar results, so it appeared the Governor's recommendation inflation rate in M101 was reasonable.

Mr. Chapman referred to the caseload changes [M200 series]. In previous biennia, the caseload changes had been addressed on a global basis; however, there were a number of issues regarding the Division's caseload projections, primarily in the Rural Clinics budget and Southern Nevada Adult Mental Health Services (SNAMHS) budget. Mr. Chapman stated there would be additional discussion on the caseload changes in the specific agency budgets.

Mr. Chapman pointed out that during the budget hearings, there were a number of recommended decreases in serving clients and associated costs. While discussing these issues with the Division, it became apparent there were a number of variables which affected the caseload projections in their Caseload Evaluation Organization (CLEO) projection model. Mr. Chapman stated that Rural Clinics experienced a significant number of vacancies that prevented the agency from serving caseloads approved in earlier sessions. The SNAMHS account also had variables that affected their caseload projections. The 2003 Legislature approved 4 new psychiatrist and 16.5 new nursing positions, while the 2005 Legislature approved 24.56 new psychiatrist and 112.06 new nursing positions. Mr. Chapman added that the Division had difficulty in filling those positions and still had a number of the positions vacant—21.63 psychiatrist and 74.93 nursing positions. The effect of the vacancies, based on

the budgeted caseload growth, did not allow the agency to serve all of the projected clients.

Among other factors affecting caseload projections, Mr. Chapman stated the Division transitioned from the old client filing system to the new AVATAR system two years ago. In addition, the Division undertook a "data cleansing" project in FY 2006 which closed client files that were considered inactive but had been counted as active cases.

Mr. Chapman said the Subcommittee might wish to issue a letter of intent to the Division to work with Legislative Counsel Bureau (LCB) staff and the Budget Division to review caseload projections during the 2007-09 interim to reevaluate the CLEO caseload projection methodology.

Mr. Chapman referred to the General Fund appropriations approved in Assembly Bill (A.B.) No. 175 of the 73rd Legislative Session, totaling \$14.9 million in support of mental health programs. The Governor recommended \$17.9 million to continue the programs that were funded.

Mr. Chapman explained that the Governor recommended continuation of the mental health courts program, E325, which served 75 clients at SNAMHS; 125 clients at Northern Nevada Adult Mental Health Services (NNAMHS), including 42 in residential placements; and 25 clients through Rural Clinics, including 6 in residential placements.

Mr. Chapman said the Subcommittee might wish to approve funding for continuation of the A.B. No. 175 of the 73rd Legislative Session for mental health courts.

Mr. Chapman said that A.B. No. 175 of the 73rd Legislative Session also provided General Fund appropriations of \$900,000 each year for SNAMHS and \$500,000 for NNAMHS for the State contribution for operation of community triage centers [E326] in their respective regions. In FY 2006, SNAMHS expended \$784,318 to operate its triage center, and the estimated annual amount for the current fiscal year was \$805,106. The FY 2007 annualized expenditures represented a 2.7 percent increase over FY 2006.

Mr. Chapman reminded the Subcommittee that during the budget hearings, the administrator testified that the agency intended to use the entire \$900,000 appropriation each year. However, the Division recently indicated to staff that it was not expecting the cost for its portion of triage center expenditures to increase above \$805,166 each year of the 2007-09 biennium.

Mr. Chapman remarked that the Subcommittee might want to consider one of the following:

- Approve the Governor's recommendation to appropriate \$900,000 each year to SNAMHS for continued funding.
- Approve General Fund appropriations of \$826,905 in FY 2008 and \$849,232 in FY 2009 which reflected a 2.7 percent increase for SNAMHS.

Mr. Chapman referred to NNAMHS and said none of the appropriation made in A.B. No. 175 of the 73rd Legislative Session for the triage center was expended in FY 2006 or FY 2007. However, the agency indicated to staff that a portion of the money would be used to renovate a facility in Reno where the community

triage center would be located. The Division anticipated using approximately \$235,000, so approximately \$265,000 should revert to the General Fund this year. Mr. Chapman said the Governor recommended the continuation of \$500,000 each year. Staff received an operating budget for the triage center in Reno which displayed an estimated annual operating cost of \$1.6 million each year for a 16-bed facility. The State's one-third portion would be \$543,242 if the actual expenditures were to equal the budgeted amount, so the recommendation appears reasonable.

Mr. Chapman stated that if the funding was approved for either or both of the community triage centers, the Subcommittee might want to consider the following:

- Issue a letter of intent to limit that State's share of funding for the centers to no more than one-third of the combined match provided by local governments and local hospitals.
- Issue a letter of intent that clarifies the intended purpose of the funding.

Mr. Chapman reported that legal counsel opined that the funds could be used for construction purposes; however, the Subcommittee might want to limit the funds to operating expenditures.

Mr. Chapman continued with A.B. No. 175 of the 73rd Legislative Session funding and said General Fund appropriations of \$1.42 million in FY 2008 and \$1.45 million in FY 2009 were recommended to continue 90 residential placements [E327].

Mr. Chapman stated that A.B. No. 175 of the 73rd Legislative Session included an appropriation of \$7.05 million to support additional acute psychiatric placements for SNAMHS, providing additional beds between the time session ended and the time the new Rawson-Neal Psychiatric Hospital opened. With A.B. No. 175 of the 73rd Legislative Session funding exhausted on September 5, 2006, the Interim Finance Committee (IFC) approved a work program to transfer funds to continue 25 beds through June 30, 2007.

Mr. Chapman related that the Governor's budget recommended General Fund appropriations [E328] of \$3.7 million in FY 2008 and \$3.8 million in FY 2009 to support 22 beds on the SNAMHS campus, building 3. The budget included 46.53 new full-time equivalent (FTE) positions, with a starting date of July 1, 2007. Mr. Chapman stated that the Subcommittee might recall discussions regarding the start date because of the difficulties in recruiting clinical staff. The Subcommittee had directed the Division to reevaluate the start date. The Division provided a revised decision unit E328 that reflected a new staffing start date of October 1, 2007, with funding recommended to continue the WestCare contract through September 30, 2007. Mr. Chapman said that the revision increased General Fund appropriations by approximately \$210,618 in FY 2008, and staff would recalculate the number if the revision was approved.

Mr. Chapman continued and said that included in decision unit E328 was a half-time dietician position that the agency indicated was needed for the additional 22 beds. The Southern Nevada Food Service account currently had three dietician positions responsible for a total of 328 beds. The Executive Budget recommended an additional 22 beds in E328 and a 6-bed reduction at Desert Regional Center. The agency indicated the dietician-to-bed

ratio was 130 to 1. Mr. Chapman stated that given that staffing ratio, staff would recommend that the half-time dietician position not be approved.

Mr. Chapman stated the Governor recommended decision unit E814 which provided a two-grade salary increase for the Division's mental health agencies clinical staff. This recommendation was based on a statewide proposal developed by the Department of Personnel to ensure pay equity among the State and private sector, the city and county governments, and western area governments. Mr. Chapman asked the Subcommittee to note that a number of positions were recommended to be eliminated in the SNAMHS and Rural Clinics that were included in E814 for the two-grade increase. Fiscal staff requested authority to delete funding for eliminated positions based upon the Subcommittee's closing actions.

Mr. Chapman noted that other items included the elimination of Mojave revenue tracking [E226] and equity adjustments for unclassified positions [E813].

Mr. Chapman requested that staff be given authority to make any technical adjustments necessary to the Division's budgets for final Department of Information and Technology (DoIT) and purchasing cost assessments and for any equipment, hardware, or software price revisions that might be approved by the money Committees.

Chairwoman Leslie referred to the FMAP change and believed that staffs recommendation was acceptable. Chairwoman Leslie thought that the medication inflation rate had appeared reasonable, and staff recommended this item be closed based on the Governor's recommendation.

Chairwoman Leslie stated that caseload changes [M200 series] would be looked at individually as there were different issues and regions.

Chairwoman Leslie questioned whether the Subcommittee was ready to discuss the letter of intent asking the Division to work with the Budget Division in the interim to review CLEO methodology.

Senator Cegavske thought it was very important to include the letter of intent and to work with budget staff on reevaluating the CLEO caseload methodology. Chairwoman Leslie agreed and stated the CLEO projections did not seem to match what the Subcommittee felt should be happening.

Chairwoman Leslie referred to the continuation of the funding approved through A.B. No. 175 of the 73rd Legislative Session and thought there was a general agreement to continue these programs.

Senator Titus thought the Subcommittee should continue the funding and consider increasing the amounts as there was no money included for growth. Chairwoman Leslie said this would be discussed when the Subcommittee opened the Mental Health budget.

Chairwoman Leslie stated a decision needed to be made on the amount of funding in the budget for the triage centers [E326]. She started with SNAMHS and noted the Governor's recommendation to appropriate \$900,000 each year and reminded the Subcommittee that the agency had not used all the money, and there were two different recommendations to choose from.

Senator Cegavske supported approval of the Governor's recommendation, but thought it was important for the Division to understand the State was a one-third partner and that share was not intended to be increased.

Senator Raggio discussed NNAMHS and was disappointed that the agency had not begun the triage center. Senator Raggio suggested approving the Governor's recommendation, but allow the funding to be used for any purpose, including construction and other operating costs.

Chairwoman Leslie summarized that there were recommendations on the triage centers to approve the Governor's recommendation, \$900,000 in each year in southern Nevada and \$500,000 each year in northern Nevada. In addition, Chairwoman Leslie noted that Senator Cegavske suggested issuing a letter of intent to limit the State's share of funding to no more than one-third of the total.

Chairwoman Leslie referred back to Senator Raggio's statement and said the construction issue related to how the money was to be spent in the biennium. She asked whether Senator Raggio wanted to leave it open so that the funding for the triage center could be used for operating and other issues. Senator Raggio said that was what the letter of intent would allow because the triage center project needed to be started. Senator Cegavske stated that funds were used to start the project and asked Senator Raggio whether the funds could be used for construction.

Senator Raggio stated that his point was to get the northern triage center built and operational. Chairwoman Leslie agreed with Senator Raggio, and thought there should be some spending flexibility. She said the city of Reno had donated the space on the first floor of the new homeless shelter, but it was a shell. Chairwoman Leslie said the Mayor of Reno had told her that construction would start soon on the interior but that it might not be finished by June 30, 2007, so the Subcommittee could follow Senator Raggio's suggestion and leave some flexibility.

Senator Cegavske questioned how long the flexibility was going to be available because the construction would use the funding quickly, and the Subcommittee should add in a timeframe. Chairwoman Leslie said that something could be added that stated that first-phase funds could be used for construction. Chairwoman Leslie stated that the Subcommittee would have a chance to review the letter of intent before it was sent.

Chairwoman Leslie stated that the Governor recommended funding additional residential placements at SNAMHS and did not think the Subcommittee wanted that changed.

Chairwoman Leslie moved on to the acute psychiatric beds (E328) at SNAMHS and said there had been a discussion before about changing the start date to October 1, 2007, and allocating the necessary funds so that WestCare could extend its contract to maintain the 22 beds. Senator Cegavske talked to staff yesterday and discovered there was no feedback information and thought that performance indicators would be helpful for the Subcommittee to discover how funds were spent. Chairwoman Leslie agreed and asked staff to direct the agency to provide that information.

Chairwoman Leslie referred to the dietician position and said that staff recommended that position not be approved. Senator Cegavske agreed with staff.

Chairwoman Leslie referred to E814 and said the Subcommittee should give staff authority to delete funding for eliminated positions.

Chairwoman Leslie said the Mojave revenue-tracking issue had been discussed in Subcommittee before, and there was a need to give staff authority to make technical adjustments.

Chairwoman Leslie asked whether there were further comments before there was a motion.

Senator Cegavske asked whether she could make a motion with the recommendations the Chairwoman Leslie outlined. Mr. Chapman said there needed to be a little clarification, and he stated staff needed authority to make technical adjustments associated with eliminating the half-time dietician position, delaying the start of positions, and extending the WestCare contract.

ASSEMBLYWOMAN CEGAVSKE MOVED THAT THE
SUBCOMMITTEE:

1. APPROVE THE FMAP CHANGE AS STAFF RECOMMENDED.
2. APPROVE THE INFLATION RATE FOR THE MEDICATIONS AS RECOMMENDED BY THE GOVERNOR.
3. ISSUE A LETTER OF INTENT TO THE DIVISION TO REEVALUATE ITS CLEO CASELOAD PROJECTION METHODOLOGY, IN COOPERATION WITH THE BUDGET DIVISION AND THE FISCAL ANALYSIS DIVISION, DURING THE 2007-09 INTERIM.
4. APPROVE THE FUNDING FOR THE MENTAL HEALTH COURTS AS RECOMMENDED BY THE GOVERNOR THAT REFLECTED CONTINUATION OF THOSE PROGRAMS IN A.B. NO. 175 OF THE 73RD LEGISLATIVE SESSION.
5. APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E327.
6. APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E326 TO APPROPRIATE \$900,000 EACH YEAR TO SNAMHS FOR THE SOUTHERN NEVADA TRIAGE CENTER AND \$500,000 EACH YEAR FOR THE COMMUNITY TRIAGE CENTER IN NORTHERN NEVADA, INCLUDING A LETTER OF INTENT REGARDING THE USE OF THOSE FUNDS.
7. DELAY THE HIRING DATE FOR STAFF AT THE SNAMHS CAMPUS, INCREASE FUNDS FOR THE CONTRACT EXTENSION FOR WESTCARE, AND AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS FOR STAFFING-RELATED COSTS AND THE WESTCARE CONTRACT EXTENSION.
8. NOT APPROVE THE HALF-TIME DIETICIAN POSITION AND AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS.
9. AUTHORIZE STAFF TO MAKE ANY TECHNICAL ADJUSTMENTS NECESSARY FOR DoIT AND PURCHASING COSTS ASSESSMENTS.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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HEALTH AND HUMAN SERVICES
MENTAL HEALTH AND DEVELOPMENT SERVICES ADMINISTRATION BA 3168
BUDGET PAGE MHDS-1, VOLUME II

Michael Chapman, Senior Program Analyst, Fiscal Analysis Division, stated the major issue to consider was the Governor's recommendation for 3.51 full-time equivalent (FTE) administrative positions. Funding for the positions would be provided within the 5 percent administrative funding cap allowed by the federal Substance Abuse Prevention and Treatment (SAPT) grant. Mr. Chapman reminded the Subcommittee that Substance Abuse Prevention and Treatment Agency (SAPTA) program was moving to Mental Health and Development Services (MHDS) effective July 1, 2007. Mr. Chapman said the Governor recommended 3.51 new positions to further enhance the central office fiscal support in response to the Division's overall growth and in support of the additional responsibilities associated with the responsibility for the SAPTA program. The new positions were:

- A management analyst to provide central tracking of contracts, review grants, and provide budget support.
- A management analyst to be responsible for analyzing caseload data and reports and to assist the two administrative services officers with budget monitoring and analysis, including revenue collections and spending patterns.
- An administrative assistant to support the four fiscal positions, along with the two new management analyst positions, if approved.
- A 0.51 FTE personnel technician to assist an existing personnel technician and the Division's personnel officer and which would devote approximately 80 percent of its time to SAPTA.

Mr. Chapman advised the Subcommittee that, currently, the Health Division had work program authority to use \$459,567. Mr. Chapman noted that an accountant technician and a 0.49 FTE administrative assistant in the SAPTA account and another technology position in MHDS information systems account would also be funded with federal SAPT grant funds.

Mr. Chapman stated the Governor's recommended federal SAPT funding would be \$391,657 in fiscal year (FY) 2008 and \$459,052 in FY 2009, which was comparable to the amount of funding the Health Division was utilizing in support of the SAPT program.

Mr. Chapman concluded that based upon the information provided by the Division, the recommendation for 3.51 FTE positions appeared reasonable. If the positions were approved by the Subcommittee, staff would request adjustments for building rent for the two management analyst positions as these costs were included in the base.

Mr. Chapman continued with other items that included E255, E258, E257, E900, E902, E903, and E904, all of which appeared to be reasonable to staff.

Mr. Chapman stated staff recommended closing the remainder of the budget as recommended by the Governor.

SENATOR CEGAVSKE MOVED THE SUBCOMMITTEE CLOSE
BA 3168 WITH THE GOVERNOR'S RECOMMENDATIONS AND
GIVE STAFF THE AUTHORITY TO MAKE TECHNICAL
ADJUSTMENTS AS NECESSARY.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES

NORTHERN NEVADA ADULT MENTAL HEALTH SERVICES (NNAMHS) BA 3162 BUDGET PAGE MHDS-13, VOLUME II

Michael Chapman, Senior Program Analyst, Fiscal Analysis Division, stated the main closing issue was a series of caseload decision modules that address:

- Medications clinics [M200]
- Residential placements [M201]
- Psychiatric ambulatory services [M204]
- Mental health courts [M208]
- Psychiatric observation unit (POU) [M209]

Mr. Chapman said the Governor recommended \$10.9 million in support of all the caseload increases.

Mr. Chapman stated that in M200, the medication clinics, the Governor recommended General Fund appropriations of \$1.2 million in fiscal year (FY) 2008 and \$2.3 million in FY 2009, including 11.53 full-time equivalent (FTE) positions to support a projected increase of 170 clients in the medication clinics. Mr. Chapman said included in this recommendation was the opening of two new clinics, one in Reno and one in Sparks. The recent budget reductions recommended by the Governor eliminated the opening of the second clinic site in Sparks and included eliminating a clinical program manager for that location.

Mr. Chapman said if the Subcommittee approved the M200 budget reduction as recommended, General Fund appropriations would be reduced by \$435,774 in FY 2009. However, upon reviewing the supporting documentation for the revised M200, staff had concerns with the following items:

- The revised M200 included building lease costs that remained for the second clinic. If the budget reduction was approved, staff would recommend eliminating the cost of \$106,272.
- M200 included two pharmacist positions, one to serve each new clinic. The revised M200 eliminated the second clinic but not the second pharmacist, and the agency indicated that the second pharmacist was for covering leave time. However, staff recommended the second pharmacist not be approved.

- M200 included two consumer services assistant positions, one to serve each new clinic. Staff recommended the second position not be approved.

Decision unit M200 included one-time pharmacy inventory stocking costs of \$100,000 for each clinic. Mr. Chapman discussed this with the Division which agreed that the one-time stocking cost should be reduced to \$50,000 each year if M200 was approved for two clinics. If M200 was approved as revised, pharmacy stocking costs should be reduced by \$50,000 in FY 2008 and \$100,000 in FY 2009.

Mr. Chapman stated there was an adjustment to remove pharmacy sales revenues and associated medication costs for Rural Clinics. The Governor did not recommend a corresponding medication clinic caseload increase in that budget.

Senator Raggio felt that some of the Governor's recommendations were going to have to be accepted because of reduced revenues, such as eliminating the second clinic in Sparks. However, he suggested that the Subcommittee compile an "add list" in the event sufficient revenue became available and add the second clinic to that list.

Chairwoman Leslie agreed and felt there were several items that could be put on the list. However, she hoped the Subcommittee was not going to prioritize, but rather return when there was a better idea of the revenue available to discuss the priorities of the Subcommittee.

Assemblywoman Buckley agreed with Senator Raggio regarding the list. Additionally, as the Subcommittee begins closing the budgets, it needs to consider where prisons budgets were headed and the impact of Council of State Governments (CSG) recommendations, and Justice James Hardesty's recommendations. Ms. Buckley said the Subcommittee was trying to look for small savings in the prison budgets, but it also needed to redirect the budget to influence the prison population, such as providing additional funds to the mental health court. Part of the task involved identifying medication clinics and other things the people need for treatment and have them on the "add list" should funding become available.

Chairwoman Leslie asked whether the Subcommittee approved the elimination of a medication clinic and the associated staffing while placing it on the "add list".

Mr. Chapman referred to M201 which provided for 30 additional residential placements. The Governor recommended General Fund appropriations totaling \$282,573 in FY 2008 and \$648,527 in FY 2009. Staff stated costs appeared reasonable.

Mr. Chapman moved on to M204 which was psychiatric ambulatory services. There were 21.55 new FTE positions recommended to support an additional 226 monthly clients in psychiatric ambulatory services at NNAMHS. The agency indicated the positions would be primarily located at the new clinics. Mr. Chapman said that given the decision in M200, the agency indicated they would absorb the new positions in this decision module at either the new Reno clinic or the NNAMHS campus. Staff recommended a technical adjustment to reduce medication costs which would save \$9,516 in FY 2008 and \$33,646 in FY 2009.

Mr. Chapman stated M208 was mental health courts, and this decision unit recommended an additional 100 clients in the 2007-09 biennium. There were currently 50 clients in the base budget that were served in this program. Considering the continuation of the funding of A.B. No 175 of the 73rd Legislative Session, if all decision units were approved, a total of 275 clients would be provided for. Mr. Chapman said staffing ratios to support the additional caseload appeared reasonable.

Mr. Chapman said M209 was the psychiatric observation unit (POU), and the Governor recommended 6.51 additional FTE positions in support of the POU. This was a 10-bed facility which was part of the 40-bed inpatient facility at the Dini-Townsend Hospital. The staffing would not provide for any additional new beds. The agency reported the number of POU admits had increased from 99 per month in FY 2004 to 132 per month in FY 2006. However, census reports provided by the agency indicated an average daily census of 5.8 beds occupied in FY 2006 and 6.4 beds occupied in FY 2007. Mr. Chapman indicated that the agency had moved staff between the 40-bed inpatient hospital and the POU. However, the average daily inpatient census increased to 25.9 clients in February, 2007 and 30.4 clients in March, 2007, while the POU average daily census decreased to 4.9 and 4.4 clients, respectively. Mr. Chapman said the agency provided a staffing plan which was consistent with what was approved in 1999.

Mr. Chapman stated the Governor submitted a budget revision for M209 which would eliminate three of the proposed positions and would delay the start of the half-time administrative position until the second year. If the Governor's revision was approved, General Fund appropriations would decrease by \$161,136 in FY 2008 and \$171,028 in FY 2009.

Mr. Chapman noted that the average daily census at both the inpatient facility and the POU had been consistently below capacity for many years. It appeared there was flexibility to move staff between facilities so the Subcommittee might want to consider not approving any of the new positions.

Mr. Chapman pointed out that information provided by the Division appeared reasonable for E400, E902, E903, and E503. The mobile outreach/Reno police initiative was not included in the Governor's budget and was a program on which the Subcommittee heard testimony during the work session and budget hearings. This would provide for two mental health counselors and a half-time administrative assistant. The program seemed to be similar in concept to the mobile crises team program in southern Nevada.

Chairwoman Leslie wanted to discuss M209, POU, and referred to the Governor's budget reductions reducing the 6.51 new FTE positions to 3.51.

Assemblywoman Buckley said that the Subcommittee should look at the staff recommendations because the census numbers were not there so why continue to fund if there was something more useful to the community.

Chairwoman Leslie asked whether Assemblywoman Buckley's suggestion was to accept staff recommendation and not approve any of the new positions recommended for the POU.

Senator Raggio did not fully agree and said the worthiness of the program was not questioned, and the utilization at this point was low, but the program had not had a fast start. The Governor recommended three additional clinical

positions, and staff indicated there was flexibility to move staff between facilities. Senator Raggio did not want to do something that limited the capability of this unit and stated he would support the Governor's recommendation which allow the three clinical positions. Senator Raggio added that the mobile outreach/Reno police initiative should be put on the "add list."

Chairwoman Leslie clarified that Senator Raggio's suggestion was to adopt the Governor's recommendation.

Chairwoman Leslie asked for some clarification from the Division since she was undecided. She agreed with Ms. Buckley that the census was low but knowing how important the POU was to the community, the Subcommittee did not want to leave the agency with insufficient staff. Chairwoman Leslie clarified that the Subcommittee needed to make a decision between:

- Accepting the budget reduction the Governor's suggesting down to 3.51 FTEs.
- Eliminating the 6.51 positions.

Carlos Brandenburg, Administrator, Division of Mental Health and Developmental Services, stated he understood the issues looking at the average census; however, if the Dini-Townsend Hospital was at full capacity, the agency would not be able to move staff to the POU, and the census number would be at seven or eight. Dr. Brandenburg urged the Subcommittee, for the safety of the community, staff, and patients, to approve the Governor's recommendation. Dr. Brandenburg understood the Budget Division's position when considering the average, but again urged the Subcommittee to keep the three positions that were needed in the POU.

Chairwoman Leslie asked what would be the impact on the POU if the Subcommittee did not approve any of the positions. Dr. Brandenburg answered that the agency would continue to try and move staff, but there was a potential to be unable to provide coverage for both units at the same time when fully occupied. Dr. Brandenburg again urged the Subcommittee's support.

Assemblywoman Buckley appreciated Dr. Brandenburg's concern about staff and community safety, but those were the same concerns throughout Nevada, and the State was barely able to meet obligations. Even though there was staffing for 40 beds, the inpatient census was 26 clients, and the POU averaged 6 clients. Assemblywoman Buckley said the Subcommittee needed to look statewide. She gave an example of taking her sister to a Clark County hospital with a broken leg, and there were 70 mentally ill patients in the hospital so people with chest pains had to wait to be seen.

Dr. Brandenburg said he understood but wanted the Subcommittee to remember when he gave his presentation the census was at 38 clients in the hospital and 8 in POU.

Senator Cegavske asked how many positions were there in the POU. Dr. Brandenburg did not know the total staff for POU. Chairwoman Leslie said that it was 16.02. Senator Cegavske asked Dr. Brandenburg the result if the Subcommittee was to fund 1.5 positions. Dr. Brandenburg responded that it would be beneficial and said POU needed the psychiatric nurse 3 positions to provide supervision and the mental health technician position to provide coverage on the unit. Dr. Brandenburg reiterated that the recommendation for

three positions was a nice compromise from the original 6.51, and he wanted to be on record with concerns in terms of potential liability.

Senator Cegavske stated that she was supporting staff recommendation, but if the Committee wanted to fund half of the request, she would consider that as well.

Senator Raggio addressed the Subcommittee and stated that they were dealing with mental health patients and very critical patients in the POU. Senator Raggio trusted Dr. Brandenburg when he said that the program needed three positions.

Senator Mathews thought it would be shortsighted of the Subcommittee if they did not support the three positions as this was already in the budget. Senator Mathews stated that she had worked in a POU setting and knew how things could quickly change.

Senator Titus wanted to make sure that she understood the issue, and Chairwoman Leslie asked Mr. Chapman to review M209 again.

Mr. Chapman stated the Governor's original recommendation was for 6.51 positions, then the budget reduction submitted eliminated 3 of the clinical positions. The monthly census reports provided by the agency for the 10-bed POU were 5.8 beds in FY 2006 and 6.46 in FY 2007. The census reports for February and March 2007 showed a census of 4.9 and 4.4 clients, respectively.

Senator Titus said she could not understand why an increase in positions was required in this budget, while the southern Nevada budget showed positions being eliminated and spending less than last year despite all the growth in Clark County. Dr. Brandenburg explained this was comparing two separate programs, one was the POU and in southern Nevada the decrease was in medication outpatient. Senator Titus asked Dr. Brandenburg to explain why an increase in positions was needed since there was not growth in the mental health court, but there was elimination of a psychiatrist in the southern budget. Senator Titus still questioned why more staff was not needed in the south. Dr. Brandenburg explained that in Las Vegas the agency had been unable to hire 27 psychiatrists and 115 nurses. As a result, caseload evaluation organization (CLEO) figures were based on actual cases. Dr. Brandenburg summarized that not having the staff resulted in fewer cases, and therefore, the budget was built on actual cases. Senator Titus stated that if staff was available, there would be more cases. Dr. Brandenburg agreed and had made that argument but was advised to create the budget based on actual caseload. Senator Titus commented that this was a budget administrative decision, not a mental health decision. Dr. Brandenburg stated he had followed the budget instructions.

Chairwoman Leslie said the Subcommittee was struggling with the lack of money and had to weigh all the needs in the mental health budget.

Chairwoman Leslie asked for a motion on this portion of the budget.

SENATOR RAGGIO MOVED THE SUBCOMMITTEE APPROVE
REVISED DECISION UNIT M209, INCLUDING 3.00 POSITIONS AS
RECOMMENDED BY THE GOVERNOR.

Chairwoman Leslie asked whether the motion included the half-time administrative position or just the three clinical positions.

Gary Ghiggeri, Senate Fiscal Analyst, Legislative Counsel Bureau (LCB), answered that the positions retained were two mental health technicians and one psychiatric nurse. Mr. Chapman clarified that as revised, it would retain one psychiatric nurse, two mental health technicians and would delay the start of the half-time administrative assistant.

SENATOR RAGGIO AMENDED HIS MOTION TO THE SUBCOMMITTEE TO APPROVE THE REVISED DECISION UNIT M209, INCLUDING 3.51 POSITIONS, WITH A DELAYED START OF THE 0.51 POSITION AS RECOMMENDED BY THE GOVERNOR.

SENATOR MATHEWS SECONDED THE MOTION.

Assemblywoman Buckley stated she could not support the motion and believed that if someone were mentally ill and needed help in Reno, Las Vegas or Lovelock, they would need treatment. Ms. Buckley said that the Subcommittee needed to make sure the entire budget was fair. The Subcommittee was not counting the mentally ill in Clark County because there was not help for them yet, but wanted to add positions where the census was down. Ms. Buckley wanted parity and wanted every mentally ill person, no matter where they live, to receive treatment. Ms. Buckley continued that if, ultimately, the Subcommittee gets to that point in the budget she would come back and support these positions, but right now, she would not support the motion.

THE MOTION FAILED. (Senator Raggio and Senator Mathews voted yes; Senator Titus and Senator Cegavske voted no.) (Assemblywoman Gansert voted yes and Chairwoman Leslie, Assemblywoman Buckley, Assemblyman Denis, and Assemblywoman Weber voted no.)

Chairwoman Leslie asked for another motion.

ASSEMBLYWOMAN SMITH MOVED THAT THE SUBCOMMITTEE APPROVE AS STAFF RECOMMENDED ELIMINATING THE 6.51 POSITIONS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED ON THE ASSEMBLY SIDE WITH ASSEMBLYWOMAN GANSERT VOTING NO.

THE MOTION FAILED ON THE SENATE SIDE. (Senator Titus and Senator Cegavske voted yes; Senator Mathews and Senator Raggio voted no.)

Senator Mathews added that she felt the passage of this motion was a mistake, and the Subcommittee was saying no to something that they knew was needed in the North. Chairwoman Leslie understood, but her dilemma was the census numbers.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE:

1. APPROVE M200 THAT ELIMINATED THE SECOND CLINIC SITE IN FY 2009 AS RECOMMENDED IN THE GOVERNOR'S BUDGET REDUCTIONS. (The second clinic to be put on the "add list.")

2. ELIMINATE RENT COSTS, THE SECOND CONSUMER SERVICES ASSISTANT POSITION AND THE PHARMACIST POSITION AND REDUCING ONE-TIME PHARMACY START-UP COSTS, WHICH WOULD BE A GENERAL FUND SAVING OF \$50,000 IN FY 2008 AND \$368,663 IN FY 2009, AS RECOMMENDED BY STAFF.
3. APPROVE M201 AS RECOMMENDED BY STAFF.
4. APPROVE M204 AS RECOMMENDED BY GOVERNOR WITH AN ADJUSTMENT TO REDUCE MEDICATION COSTS AS RECOMMENDED BY STAFF.
5. APPROVE M208 AS RECOMMENDED BY GOVERNOR.
6. APPROVE E400, E902, E903 AND E503 AS RECOMMENDED BY STAFF.
7. THE MOBILE OUTREACH/RENO POLICE INITIATIVE TO BE PUT ON THE "ADD LIST".

Senator Raggio had a question on the motion regarding the mental health court [M208]. The Subcommittee was looking at budgets that would eliminate inmate populations to a great degree and utilize some funding recovered for programs such as this. Senator Raggio felt that the whole issue of specialty courts should be put on the "add list" and be removed from the motion.

Assemblywoman Buckley did not have a problem with that recommendation; however, this budget would approve 275 clients in the mental health courts which appeared to be continued funding with a recommended addition of 100 clients. Assemblywoman Buckley questioned whether this was the base the Subcommittee would like to see for the north. Senator Raggio did not have any intention of removing M208, but wanted to hold the decision unit until the funding situation was resolved. Chairwoman Leslie clarified that Senator Raggio wanted the motion to stay the same, but put the mental health court on the "add list" in case additional resources were found for further expansion. Assemblywoman Buckley supported that and wanted to make sure that the Subcommittee was not sending the wrong signal, but Senator Raggio comments made it clear that this motion for M208 was the minimum.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

Chairwoman Leslie wanted to remind the Subcommittee that she worked for the mental health court but her salary was paid by the county and not dependent on this closing.

THE MOTION PASSED UNANIMOUSLY.

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES
FACILITY FOR THE MENTAL OFFENDER BA 3645
BUDGET PAGE MHDS-26, VOLUME II

Michael Chapman, Senior Program Analyst, Fiscal Analysis Division, stated that there was one major closing issue regarding additional staff to support the 28-bed expansion that was approved by Interim Finance Committee (IFC) in

November, 2005. The approval of the 28 additional beds was in response to a lawsuit filed against the agency regarding delays in receiving individuals from the Clark County Detention Center to Lake's Crossing for competency evaluations and treatments as ordered by the courts. The Division sought and the IFC approved 31 new positions for a 28-bed expansion: 8 beds were in the existing 48-bed facility, and 20 beds were established in the vacant portion of the Dini-Townsend Hospital. Mr. Chapman said that using previously established staffing ratios, staffing justification should have provided for about 32 or 33 forensic specialist and psychiatrists. However, to minimize the impact on the Contingency Fund, only 22 of those positions were approved. The agency and the Governor had recommended nine additional forensic specialists for this facility. Mr. Chapman stated the facility was operating at less than full capacity; the agency must be ready to accept an increase in clients to minimize the wait list to avoid potential litigation in the future. Mr. Chapman noted that overtime was more than three times the previous three-year average. The agency indicated the overtime was caused primarily by operating at minimum staffing, especially when staff had to transport a client to medical services or transport clients by ground back to facilities at Southern Nevada Adult Mental Health Services (SNAMHS). Mr. Chapman concluded that based upon previously utilized staffing ratios, the recommendation for the nine forensic specialists appeared to be reasonable.

Mr. Chapman said that included in M600 was a new quality assurance specialist position which was intended to oversee compliance with state and national regulations, provide peer review, and provide essential feedback and training to staff. The position's duties would also include reviewing reports of client abuse or neglect and rights violations. Mr. Chapman stated the recommendation for the quality assurance specialist position appeared to be reasonable.

Mr. Chapman reported there was a recommendation for an agency program information specialist. The agency did not have any technology staff and had to rely on support from the Northern Nevada Adult Mental Health Services (NNAMHS), so it appeared reasonable to approve this position.

Mr. Chapman noted the Budget Division submitted an amendment that eliminated \$18,000 per year in medication costs and staff agreed.

Mr. Chapman said there had been discussions regarding establishing a conditional release program but there was no funding in The Executive Budget. The agency provided information that this program envisioned two psychiatric casework positions that would serve approximately 30 clients. Mr. Chapman stated that General Fund appropriations would be \$146,027 in fiscal year (FY) 2008 and \$190,962 in FY 2009.

Senator Cegavske had questions and concerns about additional staffing and whether the agency be able to hire staff. Senator Cegavske asked Carlos Brandenburg, Administrator, Division of Mental Health and Developmental Services, if these positions were granted, what were the possibilities of them being filled soon. Dr. Brandenburg replied that the Division had not had difficulties recruiting and retaining forensic specialists because of the 10 percent pay increase approved last session. Dr. Brandenburg explained that all forensic specialists were Peace Officers Standards and Training (POST) certified and that it takes one year to get the person on board, passing POST,

and getting certified. Dr. Brandenburg commented that this program was the agency's most sensitive because of the type of clientele. The staffing was imperative because of dealing with clinical and security issues. Dr. Brandenburg stated that 60 to 70 percent of the clients had major felonies and capital offenses.

Senator Cegavske said she was not opposed to adding the positions, just concerned with vacancies, but remembered a previous conversation with Dr. Brandenburg who said vacancies in this budget would not be an issue and had guarantees from out-of-state. Dr. Brandenburg commented that the vacancy rate in this program had been very low compared to the other inpatient programs.

Senator Cegavske stated that the conditional release program be put on the "add list."

In response to a question from Senator Mathews, Dr. Brandenburg answered that Public Works had submitted a Capital Improvement Project (CIP) which had a request for the design of the building for the forensic facility in southern Nevada in 2007-09 biennium and construction in 2009-11 biennium. Senator Raggio thought the bigger decision was where in southern Nevada it was going to be built.

Chairwoman Leslie said the question before the Subcommittee was whether to support the budget recommendations and as Dr. Brandenburg stated, these clients were the most dangerous, and she felt strongly that this budget should not be shortchanged.

SENATOR RAGGIO MOVED THAT THE SUBCOMMITTEE:

1. APPROVE TO CLOSE BA 3645 AS GOVERNOR RECOMMENDED.
2. PLACE THE CONDITIONAL RELEASE PROGRAM ON THE "ADD LIST."
3. APPROVE THE BUDGET AMENDMENT TO ELIMINATE MEDICATION COST OF \$18,000 PER YEAR.

SENATOR CEGAVSKE SECONDED THE MOTION

Chairwoman Leslie stated that she approved of putting the conditional release program on the "add list."

THE MOTION PASSED. (Assemblywoman Smith was not present for the vote.)

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES
RURAL CLINICS BA 3648
BUDGET PAGE 32, VOLUME II

Michael Chapman, Senior Program Analyst, Fiscal Analysis Division, stated this was an account that was mentioned earlier regarding caseload projections and the impact of services and clients. The Governor's budget for decision module

M203, the outpatient counseling services, recommended reductions in General Fund appropriations totaling \$1.82 million in fiscal year (FY) 2008 and \$1.98 million in FY 2009, reflecting a projected decrease in outpatient counseling services in rural clinics. The Division's legislatively approved caseload in FY 2007 was 4,847 clients, which was reprojected to be 2,199 at the end of FY 2007, then decreasing to 1,792 at the end of FY 2008 and to 1,384 clients at the end of FY 2009. Mr. Chapman reported that information recently provided by the Division indicated the outpatient caseload had somewhat stabilized, with a reported caseload of 2,380 clients served in September which increased to 2,605 in December, 2006. Mr. Chapman said that while the caseload had decreased, the wait list had increased. If the projected caseload and wait lists were combined, total potential persons served would be close to 3,000 in FY 2007, but 2,700 in FY 2008 and 2,400 in FY 2009.

Mr. Chapman said that the M203 decision unit limits the number of eliminated positions to 28.5; however, based upon the reprojected caseload, there should have been approximately 36.51 clinical positions eliminated. By retaining the 8 clinical positions that should have been considered for elimination and using the staffing ratio of 75 clients to 1, the agency should be able to serve 2,799 clients with the remaining staff if the 28.50 positions were eliminated.

Mr. Chapman reminded the Subcommittee of their concern with eliminating clinical positions in this account, and the ongoing difficulties Rural Clinics experienced in recruiting staff. At the March 27, 2007, work session, the Subcommittee asked the Division to provide a priority list of the eliminated positions and prioritize the list of suggested recruitment and retention suggestions for the Subcommittee to consider.

Mr. Chapman informed the Subcommittee that the agency provided the priority list of eliminated positions and the first 13 positions the agency indicated were critical for basic client care. The salary and fringe cost for the 13 positions totaled \$986,311 in FY 2008 and \$1.06 million in FY 2009. Mr. Chapman stated that if the Subcommittee chose to restore any position, there would be adjustments needed at an estimated average cost of \$4,458 per position in FY 2008 and \$4,937 in FY 2009. Mr. Chapman noted that the expenditure reduction in FY 2007 reflected a full 12 months for the positions but only 9 months for the operating expenditures associated with those positions. Staff requested authority to make technical adjustments to operating expenditures to reflect a full 12-month cost for those positions that were approved to be eliminated.

Mr. Chapman said that the agency had provided a list of suggested recruitment and retention ideas which included restoring 13 positions. Staff had not had the opportunity to review the cost of the recommended items. The suggestions could impact other State agencies that had responsibilities for rural programs and employee professional staff in those rural areas. Any costs for recruitment/retention incentives would need to be funded with General Fund appropriations.

Mr. Chapman referred to the second priority on the agency's list which provided for a 10 percent pay differential for all licensed professional employees in "frontier areas." The "frontier areas" have been identified as counties other than Carson, Douglas, Lyon, and Storey, along with those cities or towns located more than 85 miles from Reno and 45 miles from Las Vegas.

Chairwoman Leslie had reviewed M203 and felt that some of the 28.51 positions needed to be restored. There had been testimony on why the positions were vacant and the suicide rate in Elko, and the Subcommittee could not leave without trying to do something to address the "frontier areas." Chairwoman Leslie suggested that the Subcommittee consider adding back the 13 positions which cost about \$1 million per year. Chairwoman Leslie referred to the prioritized list to improve recruitment and retention and stated number one on the list was returning the top 13 frozen direct care positions, but asked the Subcommittee to look at the fourth item on the list which provided the agency with \$75,500 for recruitment activities. Chairwoman Leslie said that Assemblyman Carpenter agreed with the suggestion to give the agency money for recruitment activities.

Senator Titus agreed, however, reading the definition of "frontier areas," she stated Laughlin, Mesquite, and Pahrump had become commuter areas from Las Vegas, and the Subcommittee might consider providing an incentive for commuting like that offered by the prisons.

Senator Cegavske agreed with Chairwoman Leslie and had talked to Senator Rhoads regarding the concerns of the rural areas, but felt this needed to be put on the "add list."

Senator Cegavske asked whether the 13 positions needed to be added back immediately and could the positions be filled.

Carlos Brandenburg, Administrator, Division of Mental Health and Developmental Services, said it would be difficult to fill the positions and was not opposed to phasing in the positions. Dr. Brandenburg explained that it took 8.8 months to recruit and hire, then 3 to 4 months for the employee to bring up the caseload. Dr. Brandenburg said this was the agency's base year, so three years from now the agency could be in the same position; the base year showed no caseload because the positions were not filled during the base year.

Senator Cegavske asked what would be an ideal number, and Chairwoman Leslie interjected that because this was to be put on the "add list," Dr. Brandenburg could have time to consider the answer and discuss with Fiscal staff.

Assemblywoman Gansert thought it was critical to look at the positions but also thought the Subcommittee should consider a pay differential and keep it on the table because it was critical that the positions be hired. Chairwoman Leslie commented that if a pay differential was accepted in this budget, it opened the door to all. Assemblywoman Gansert understood, but felt the agency had a critical situation and was spiraling down because of lack of staff.

Assemblywoman Weber felt that recruiting activities were overdue and should be more aggressive. Running an ad in the paper was not recruiting.

Senator Mathews had a question regarding the Elko suicide rate increase and asked whether the suicide cases were in the mental health system or untreated. Chairwoman Leslie said she was not able to get that kind of detail and had not reviewed the cases, but she had talked to the suicide staff who were trying to analyze the factors. Chairwoman Leslie said the position in Elko had been filled.

Dr. Brandenburg said one of the biggest factors where there was a high-risk population was the availability of services. He felt there was a relationship between the high suicide rate in Elko and the inability to hire staff.

Chairwoman Leslie said that Assemblyman Carpenter raised the psychiatrist situation in Elko, and he felt there were inadequate psychiatric resources in his district. Dr. Brandenburg stated there were inadequate psychiatric resources throughout rural Nevada. A decision unit that the Subcommittee would be considering was a salary increase for the contract psychiatrists.

Ms. Leslie asked Dr. Brandenburg his thoughts on the Subcommittee's idea to add back 13 positions and the \$75,500 for recruitment activities. Dr. Brandenburg answered that this would be a good start for the agency and the communities where staff was needed were Elko and Douglas counties, and Carson City.

Assemblywoman Buckley supported this approach but did not think a \$75,500 ad campaign would work. Kids were recruited in these communities for college and professional schools, internship opportunities, but there needed to be a long-term plan. The Subcommittee needed to find a stronger plan for the rural communities. Chairwoman Leslie agreed.

Senator Cegavske agreed with Assemblywoman Weber about putting an ad in the paper, but if there was strategy from a national advertising firm, it would be different. Assemblywoman Buckley's idea would be great for the future, but Nevada's needs were immediate. Senator Cegavske thought that if national publications or employment websites were used, people could be found. Senator Cegavske commented that there was merit in doing some advertising.

Senator Cegavske stated that she also agreed with Senator Titus regarding incentives for commuting as the prices for gasoline continued to rise.

Senator Cegavske continued that she liked the third item on the recruitment and retention list, to provide all licensed professional employees a \$3,500 bonus upon completion of three years of employment. Senator Cegavske asked Dr. Brandenburg how the agency advertised or whether the position was just solicited on the website for the Division.

Dr. Brandenburg answered that the rural clinic agency advertised on the web, letters to social service agencies, and letters to universities; the agency had extensive lists but limited resources, therefore \$75,500 would help. Senator Cegavske asked whether his staff had traveled to campuses for recruiting. Dr. Brandenburg said no, but it was on the recruitment and retention prioritized list.

Senator Raggio said that Dr. Brandenburg had mentioned the increase in pay for contract psychiatrists and should this be put on the "add list." Dr. Brandenburg answered yes because the contract psychiatrists said that unless an increase was provided, they would not provide services for the agency. Senator Raggio said if there were not contract psychiatrists for the mental health program, the program would be ineffective.

Assemblywoman Leslie said she would like this put on the "add list" and if funding was found, she had some additional suggestions for the Subcommittee to consider.

Senator Cegavske agreed because she had also talked to doctors and felt the pay increase should be added to the list.

Senator Mathews asked whether special pay increases were included for the psychiatric nurses, since they were hard to hire. Chairwoman Leslie answered yes.

Mr. Chapman reminded the Subcommittee that E814 covered the licensed clinical positions which would be included in the 10 percent pay raise that included mental health counselors, clinical social workers, nurses, mid-level medical practitioners, and licensed psychologists.

Mr. Chapman continued and said the Governor recommended funding for M206, psychosocial rehabilitation services, which supported an additional 18 clients in the rural clinics which would add 6.53 FTEs. This was a result of the actual FY 2007 caseloads being more than the amount approved. The staffing ratios were consistent with those previously used, and the recommendation appeared to be reasonable.

Mr. Chapman explained that depending on the outcome of restored positions in M203, staff requested the authority to remove from the budget the building rent costs, office furnishings, telephones, and computer hardware and software by \$38,539 in FY 2008 and \$26,251 in FY 2009.

Mr. Chapman continued with other items recommended for approval were E250, E343, E719, E903, E904, and E504 as recommended by the Governor.

Mr. Chapman concluded with contract psychiatrist pay which Senator Raggio discussed earlier and stated this was not included in The Executive Budget. The agency provided information which would increase the hourly pay from \$135 to \$180 in FY 2008 and then increase to \$200 per hour in FY 2009. The schedule would also increase travel compensation from \$60 to \$75 per hour in FY 2008 and to \$90 per hour in FY 2009.

Chairwoman Leslie suggested that 13 new positions and the \$75,500 for recruitment be considered, but the Subcommittee should close the psychosocial rehabilitation services [M206] as recommended by staff and the other items as recommended by the Governor. Chairwoman Leslie put the issue of increased contract psychiatrist pay on the "add list."

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE:

1. APPROVE M206 AS STAFF RECOMMENDED.
2. APPROVE E250, E343, E719, E903, E904, AND E504 AS GOVERNOR RECOMMENDED.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Smith was not present for the vote.)

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES

SOUTHERN NEVADA ADULT MENTAL HEALTH SERVICES BA 3161
BUDGET PAGE 43, VOLUME II

Michael Chapman, Senior Program Analyst, Fiscal Analysis Division, stated that BA 3161 had a number of closing issues. At the beginning of this meeting, Mr. Chapman had discussed issues regarding the Caseload Evaluation Organization (CLEO) projections, and this account was affected significantly in medication clinics [M200], outpatient counseling services [M203], and psychiatric ambulatory services (PAS) [M206]. Mr. Chapman explained most of the information had been covered earlier in this meeting so he was not going to repeat it.

Mr. Chapman said the Governor's recommendation for M200 was a General Fund reduction of \$2.4 million in fiscal year (FY) 2008 and \$2.5 million in FY 2009 resulting from decreased medication costs associated with a projected decrease in medication clinic clients. Currently, the budget was funded for 7,548 clients; however, the CLEO projections reduced the clients to 6,767 in FY 2008 and \$6,790 in FY 2009. The Division indicated that because of the ongoing difficulty in recruiting psychiatrists and nurses, the four medication clinics were not fully staffed.

Mr. Chapman said that recent information provided indicated actual medication caseloads had increased from 5,776 clients in September 2006 to 6,117 clients in March 2007. The Division also reported an increase in the wait list for the same time period. Mr. Chapman indicated the total number of clients that potentially could be served would range from 7,184 to 8,098 if the agency was successful in filling vacant psychiatrist and nursing positions. If Southern Nevada Adult Mental Health Services (SNAMHS) were able to fill sufficient clinical positions, there may be insufficient funding to provide medications to the combined clients. Mr. Chapman said the agency could not reasonably predict when all psychiatrist and nursing positions could be filled. The Subcommittee might wish to consider the following options regarding decision unit M200:

- Approve the Governor's recommendation to reduce funding or,
- Restore either a portion or all of the medication funding.

Mr. Chapman noted that for every 100 clients restored, additional General Funds needed would be \$306,900 in FY 2008 and \$330,700 in FY 2009.

Mr. Chapman moved to M201, residential placements and said the agency's caseload projection for this service had remained stable. The Governor's recommendation would support an additional 90 placements in decision unit E327, and would serve a total of 965 clients by the end of the 2007-09 biennium. Mr. Chapman noted that recent budget reductions recommended by the Governor delayed the recommended residential placements by three months and would save \$60,892 in FY 2008.

Mr. Chapman said that M202 was a program for assertive community treatment (PACT). The decision unit recommended four new positions. The SNAMHS currently had two PACT teams in place which served a maximum of 144 clients. This decision unit would add 49 additional clients to PACT. Mr. Chapman reported that caseload projections were suspect in this area; the Division displayed a high of 154 clients in July 2005, but showed a steady decrease to 130 clients in September 2006. This was another area where there

were vacant positions. The agency advised that the vacancies have been filled, and the number increased again to 140 clients in December 2006. Mr. Chapman said there were 11 individuals currently on a wait list, but that number was projected to increase to 17 by the end of the biennium. Based on the information provided by the agency, the recommendation appeared reasonable.

Mr. Chapman said that decision module M203, outpatient counseling services, reflected through the CLEO projection, a decrease in clients served in the 2007-09 biennium. The agency was currently budgeted to serve 1,367 clients, but caseloads had continued to decrease which was related to vacant positions. Mr. Chapman said that since the budget hearing, the total number of clients increased from 889 in September 2006, 1,012 in December 2006 and 1,042 in March 2007 and a wait list for that time period of approximately 300 clients. Mr. Chapman said if combined, the total number of clients that potentially could be served would be 1,215 to 1,342 clients if the agency was fully staffed. During the budget hearings, a clinical social worker position was eliminated that would minimally impact the program.

Mr. Chapman said that PAS [M204] had a similar pattern with significant decreases in client caseload projections. Currently, the program was funded to serve 1,620 clients contacts monthly; however, the updated projections were down to approximately 1,100 clients per month. Mr. Chapman reported the actual caseload information increased from 1,174 clients in September 2006 to 1,365 clients in March 2007. The 1,365 clients served by SNAMHS in March 2007 were the most seen by the PAS unit dating back to September 1997. Mr. Chapman stated this equated to 255 monthly contacts less than what was currently staffed. Based upon previously established staffing patterns for the PAS unit, a total of 14 positions would support a caseload of 255 clients monthly, which included:

- Two psychiatrists,
- Two psychologists,
- Two psychiatric nurses,
- Five family services specialists, and
- Three administrative assistants.

Mr. Chapman concluded that the Subcommittee might wish to consider the following alternatives with respect to decision unit M204:

1. Approve the Governor's recommendation to eliminate four psychiatric nurse positions.
2. Consider restoring two of the four psychiatric nurses and eliminate two psychiatrists, two psychologists, five family services specialist and three administrative assistant based upon previously established staffing rations for the PAS service to serve 1,365 clients monthly.
3. Consider restoring one of the four psychiatric nurses and eliminate one psychiatrist, one psychologist, two family services specialists and two administrative assistants, which would allow the agency to service approximately 1,490 clients monthly.

Mr. Chapman concluded that staff believed that the third option might be a reasonable alternative given the uncertainty of the agency's caseload projections for this service.

Mr. Chapman referred to E432, six new administrative support positions. The Governor recommended General Fund appropriations of \$282,594 in FY 2008 and \$360,612 in FY 2009 for six new administrative support positions. There were two information systems (IT) related positions. Mr. Chapman reported the agency had 2.51 full-time equivalent (FTE) technology positions. Mr. Chapman explained a new IT technician was recommended in module E328 to support the 22 beds in building 3. If the new positions were approved, SNAMHS would have a total of 6.51 IT positions that, when compared to 845.6 positions recommended by the Governor, equates to one IT position for every 130 agency staff. Mr. Chapman stated that this ratio was significantly higher than the technology staffing ratios in the Department of Health and Human Services (DHHS). The agency indicated these two positions were the highest priority.

Mr. Chapman continued with E432 and referred to the personnel analyst position and stated the position appeared reasonable to staff given the similar staffing ratios for personnel positions in support of agency staff.

Mr. Chapman concluded with E432, which recommended three new administrative positions to supervise administrative staff in three off-campus clinics. Mr. Chapman noted that, historically, the Division increased its administrative support by one position for every four clinical/professional positions approved. Based upon the four to one staffing ratio and previous need, staff recommended that the three administrative assistant positions not be approved.

Mr. Chapman referred to E329, and the Governor's recommendation to increase security on the SNAMHS campus. This would support one security officer to cover 1:00 AM to 7:00 AM on the campus, and would provide for additional coverage at the Rawson-Neal Hospital which included an officer to cover a metal-detector screening facility.

Mr. Chapman moved to other items in BA 3161 which were E811, E901, E902, E502, E905, and E328. Staff reviewed the items and recommended approving as recommended by the Governor.

Mr. Chapman said there was a technical adjustment related to budget amendment number 56 submitted by the Budget Division that aligned Social Services Block Grant funds transferred from the DHHS grants management unit.

Mr. Chapman said there had been previous discussion regarding mental health court caseload which was not included in The Executive Budget. The agency provided information regarding a decision unit for caseload which was not included in the Governor's budget, but would have provided 77 slots in the 2007-09 biennium.

Mr. Chapman said the Division provided cost information for:

- 77 clients: \$754,709 in FY 2008 and \$1,640,408 in FY 2009 with 4.51 FTE.
- 50 clients: \$483,241 in FY 2008 and \$1,083,781 in FY 2009 with 2.51 FTE.
- 25 clients: \$223,002 in FY 2008 and \$844,326 in FY 2009 with 1 FTE.

Chairwoman Leslie said continuance of A.B. No. 175 of the 73rd Legislative Session money had already been decided earlier, so this would provide for additional caseloads. Mr. Chapman clarified and said continuation money related to A.B. No. 175 of the 73rd Legislative Session totaled \$2.92 million over the biennium, which would include three psychiatric caseworkers who would serve 75 clients in residential placements.

Chairwoman Leslie reminded the Subcommittee they had heard concerns regarding the CLEO projections and recommendations from the Governor were going to be insufficient in terms of real caseloads. Chairwoman Leslie stated that the Subcommittee did not want to fund positions that the Division could not fill.

Carlos Brandenburg, Administrator, Division of Mental Health and Developmental Services (MHDS), agreed that the CLEO projections were predicated on staff providing services. Currently, there were 17.5 vacant psychiatrist positions at SNAMHS. Dr. Brandenburg continued that out of the 17.5, the Division had 9 psychiatrists starting between now and July 2007, which left 8.5 vacant positions. Dr. Brandenburg said as those positions were filled, the caseload would increase, and there would not be sufficient funds for the medication clinics. Dr. Brandenburg explained that there was a new program at SNAMHS; Dr. Stuart Ghertner, Agency Outpatient Services Director, decentralized the clinics, so each clinic was their own intake and care facility. Dr. Brandenburg continued that there would be a fifth clinic opening in downtown Las Vegas on Seventh Street in June 2007 which would create more caseloads. Dr. Brandenburg explained there were a lot of variables when the budget was created in September 2006.

Chairwoman Leslie responded that the Subcommittee knew the caseload number was insufficient and asked what the Division's best guess was. Chairwoman Leslie stated that the medication clinics was a client area that could not be underestimated.

Jeff Mohlenkamp, Chief Administrative Services Officer, MHDS, said that analysis was provided to Fiscal staff indicating that for every psychiatrist added, there would be a caseload of 345 clients added. Currently, there was a waiting list of approximately 2,000 people. Chairwoman Leslie interjected and expressed surprise there were 2,000 people on a wait list for the medication clinic. Mr. Mohlenkamp said that was correct. Chairwoman Leslie just could not believe this and said it was outrageous. Mr. Mohlenkamp continued that when the psychiatrists were hired if they were assigned 300 clients that would service 2,700 clients. The 2,000 on the wait list was the minimum demand the agency was aware of and could verify. Mr. Mohlenkamp continued that adding the 2,700, this program could have over 9,000 clients during the biennium. Currently, the budget was for 7,548 clients so potentially the agency could be underbudgeted in M200. Mr. Mohlenkamp said this was contingent upon filling the positions. Chairwoman Leslie reminded Mr. Mohlenkamp that the Subcommittee had just heard those positions were being filled. Mr. Mohlenkamp said that nine hires were ready. Dr. Brandenburg confirmed that the nine psychiatrist positions were to be filled and felt confident with the new plan by Dr. Ghertner, the agency was going to be very successful in filling the psychiatrist positions. Dr. Brandenburg continued that southern Nevada did not have the problems with hiring that the rural areas had. The problem was the agency had 112 new nurses and 24 new psychiatrist position to fill within an 18-month period.

Chairwoman Leslie asked Mr. Chapman whether he had enough information to provide a caseload number. Mr. Chapman answered that according to what he had heard, there were 9,000 potential clients and the agency was currently funded for 7,548, so that would be 1,452 clients not in the budget. Mr. Mohlenkamp agreed, and said that when the nine hires started, the agency believed that 9,000 was a reasonable target.

Senator Cegavske wondered whether Mr. Chapman had heard the 2,000 number before and asked where this number had come from, were they people who needed state assistance, how long had they been on the waiting list, and could this information be given to the Subcommittee because this was a huge number without backup. Mr. Mohlenkamp said this was part of the CLEO numbers; the agency provided the actual caseload and the wait list for almost every service area. When the agency did their data reduction, it was determined that there were 2,000 cases and this information had been provided to Fiscal staff. Mr. Mohlenkamp said this was a three- to six-month waiting list. Senator Cegavske wanted information on the services and were the wait-list people on state assistance. Mr. Mohlenkamp said the information would be provided, and the wait-list people were on state assistance.

Assemblywoman Weber asked, because the program was still short psychiatrists and people were on the waiting list, was there an analysis that could help identify the impediments to hiring psychiatrists in Nevada and was there reciprocity agreements with other states.

Dr. Brandenburg answered that there was an analysis completed and said there was national shortage of psychiatrists so all states were struggling to hire. Nevada had a great partnership between the Division, Department and the medical school. The Department provided the psychiatric residency program. Dr. Brandenburg said the problem was in southern Nevada and trying to hire 24 psychiatrists in a short period of time. Dr. Brandenburg said the timeframe from the start of the interview process to hiring of a psychiatrist was almost ten months. Dr. Brandenburg explained that the agency was presently recruiting psychiatrists for the 22-bed facility, which begins October 2007.

Assemblywoman Weber recalled hearing two years ago about hiring 23 psychiatrists and 150 psychiatric nurses. Dr. Brandenburg interjected and stated he had testified that hiring for the positions would be challenging.

Chairwoman Leslie said that something needed to be done about the 2,000 people on the waiting list and asked Mr. Chapman to review the options for M200.

Mr. Chapman reviewed M200 in which the Governor recommended eliminating \$2.4 million in FY 2008 and \$2.5 million in FY 2009, which reduced medication funding that would decrease the serviceable caseload to 6,767 clients in FY 2008 and 6,790 in FY 2009. The Subcommittee might want to consider the following:

- Approve the Governor's recommendation to reduce funding for medication which would not provide for any people on the waiting list.
- Restore either a portion or all of the medication funding. Any over the original amount would be approximately \$310,000 per year for each 100 additional clients above 7,500.

Chairwoman Leslie recommended that the Subcommittee restore the funding and suggested additional funding be put on the "add list". Chairwoman Leslie said this was the opposite of the Washoe County situation where there was a low census.

Senator Cegavske reported that the information provided by the agency to staff regarding the 2,000 wait list had been located. Senator Cegavske said she agreed with Chairwoman Leslie with the assurance that the nine psychiatrists were starting to help with the caseload. Was the amount known if the medication funding was restored?

Mr. Chapman stated that if the medication funding was restored it would increase the clients from approximately 6,800 each year to 7,548 clients and the cost would be \$2.4 million in FY 2008 and \$2.5 million in FY 2009. Mr. Chapman reiterated the \$310,000 amount which would add 100 additional clients above the 7,500.

Chairwoman Leslie restated her recommendation to restore the funding.

Senator Cegavske questioned whether the nine psychiatrists being hired were eliminated last session. Mr. Chapman explained that last session approved psychiatrist and nursing positions in the M200 package for medication clinics that provided sufficient funding to support 7,548 clients. Senator Cegavske interjected and asked whether there was a waiting list last session. Mr. Chapman answered that he was sure there was, but he did not recall the number. Senator Cegavske wondered why the client amount did not increase because of the nine new positions. Mr. Chapman explained that the nine positions were currently authorized and were in the budget, so because the positions were vacant, the agency had not been able to serve the budgeted caseload. Therefore, the agency was serving fewer than the 7,548 clients. Chairwoman Leslie concluded that restoring the budget would just bring the agency back to 2005; the Governor reduced the funding because the positions were vacant, but the Subcommittee would restore funding because the positions would no longer be vacant, and there were 2,000 on a waiting list.

Senator Cegavske asked whether the Governor's office knew the agency was filling the nine positions. Chairwoman Leslie said the budget was prepared quite a few months ago.

Chairwoman Leslie was prepared to hear a motion on M200 to add back the funding.

Mr. Chapman stated that the motion would be to restore the \$2.4 million in FY 2008 and \$2.5 in FY 2009 which would allow the agency to provide service to at least 7,548 clients. Chairwoman Leslie also wanted in the motion to put additional medication money on the "add list" for further discussion.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE RESTORE ALL OF THE MEDICATION FUNDING, \$2.4 IN FY 2008 AND \$2.5 IN FY 2009 TO SERVE AS MANY AS 7,548 CLIENTS AND PUT ADDITIONAL MEDICATION FUNDING ON THE "ADD LIST".

SENATOR TITUS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chairwoman Leslie asked for discussion on M201, the residential placements, and whether the Subcommittee wanted to accept the Governor's recommendation which included a three-month delay in the start of the residential placements. Chairwoman Leslie asked whether the delay would cause a significant problem or would it take the agency that long to get housing. Dr. Brandenburg felt the delay would be okay.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE APPROVE M201 AS REVISED BY THE GOVERNOR, REFLECTING A THREE-MONTH DELAY IN THE START OF THE RESIDENTIAL PLACEMENTS.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chairwoman Leslie said in reference to PACT [M202] staff recommended accepting the Governor's recommendation to serve an additional 49 clients. The Subcommittee had heard a lot of testimony on how effective the program was, and the census justified this increase.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE APPROVE M202 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chairwoman Leslie said staff reviewed outpatient counseling services [M203]. She said the Subcommittee could either approve the Governor's recommendation to eliminate the clinical social worker or restore the position in anticipation of the agency serving its current approved caseload.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THE CLINICAL SOCIAL WORK [M203].

SENATOR RAGGIO SECONDED THE MOTION.

Assemblywoman Buckley referred to a chart that was provided to her by staff on outpatient counseling which suggested that SNAMHS assisted 1,293 clients in FY 2005 and now the clients were down 757 in FY 2008 and 611 in FY 2009. Assemblywoman Buckley continued that NNAMHS was recommended for 635 in FY 2009 and wondered how the numbers got upside down. Assemblywoman Buckley said that it seemed the agency would want to keep clients stabilized and served in an outpatient setting, so why would the Subcommittee reduce funding to southern Nevada.

Mr. Chapman responded to Assemblywoman Buckley's question, and said the information was provided through the CLEO projections and this projection probably did not reflect reality. The agency was funded in the 2005-07 biennium for 1,367 clients, but the Governor built the budget based on the CLEO projections decreasing in 2007-09 biennium. Mr. Chapman stated that as a result, the Governor recommended elimination of the position. Mr. Chapman indicated that the agency was currently serving 1,012 clients in December 2006 and 1,042 clients in March 2007. The actual numbers were different than the CLEO projections model provided.

Assemblywoman Buckley asked whether there were 300 people on the waiting list. Mr. Chapman replied that was the latest information that he had. Assemblywoman Buckley said the Subcommittee should move with reality.

Chairwoman Leslie asked Dr. Brandenburg to comment on the caseload and waiting list. Dr. Brandenburg said that Assemblywoman Buckley was correct; the budget was compiled in September 2006 based on the CLEO projection. The CLEO numbers at the end of December, January and February were increasing as staffing increased. In response to a question from Chairwoman Leslie, Dr. Brandenburg said the waiting list was at 300 people.

Senator Mathews said that because of the difficulty in finding social workers, she did not want to eliminate the position. This position could be used in other areas, so Senator Mathews asked whether the position could be transferred. Dr. Brandenburg answered that it could.

Senator Cegavske said that in light of the new information provided, she would rescind her motion. Senator Raggio rescinded the second.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE
RESTORE THE POSITION IN ANTICIPATION OF THE AGENCY
SERVING ITS CURRENT APPROVED CASELOAD [M203].

SENATOR RAGGIO SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chairwoman Leslie moved to psychiatric ambulatory services (PAS), M204.

Assemblywoman Buckley said that in 2006, SNAMHS provided service to 934 clients, NNAMHS provided service for 522 clients, and rurals provided service for 2,600 clients. Meanwhile, the 2009 projections had NNAMHS at 635 clients, SNAMHS at 611 and the rurals down to 1,300, which again did not make sense. Assemblywoman Buckley wanted clarification and parity with adjustments for geographical considerations and stated that these numbers were a clear departure from the earlier trends.

Mr. Chapman referred to [Exhibit C](#), which was the chart Assemblywoman Buckley had also referred to, and said the data was provided based on the CLEO projections. The CLEO projections were based on the agencies having difficulties filling the positions which caused the numbers to decrease. Assemblywoman Buckley said that the Subcommittee needed to make the appropriate adjustments.

Chairwoman Leslie commented that the whole issue was about CLEO. The many positions added last session skewed the formula when the positions could not be filled and the caseload increased. This was hurting the SNAMHS budget and the rural budget. Chairwoman Leslie said that the Division had the letter of intent to help develop a better budgeting formula.

Chairwoman Leslie said the options for M204 were:

1. Approve the Governor's recommendation to eliminate four psychiatric nurse positions.
2. Consider restoring two of the four psychiatric nurses and eliminate two psychiatrists, two psychologists, five family services specialists and three administrative assistants to serve 1,365 clients.
3. Consider restoring one of the four psychiatric nurses and eliminate one psychiatrist, one psychologist, two family services specialist and two administrative assistants to serve 1,490 clients.

Chairwoman Leslie asked Dr. Brandenburg for his thoughts on the options. Dr. Brandenburg answered that the PAS number had been predicated on staff and when there was not staff, the caseload declines. When the caseload declines, the CLEO projections decline and the budget was built on the caseload decline. However, when staff was hired, caseloads rise, and then the need rises. Dr. Brandenburg could not say which option was best, but was confident the need in Clark County was there. If the decentralization of PAS continued, the program would be able to serve clients, but if staff was not available, the program would not be able to serve clients.

Chairwoman Leslie asked Mr. Chapman for insight on the options. Mr. Chapman commented that in decision unit M204, Dr. Brandenburg was correct, and the budget was built upon a decreasing caseload as a result of the projections. However, the program's actual numbers were increasing, and Mr. Chapman reviewed the number of clients being served and the amount budgeted to serve. The program was approximately 400 clients below the amount budgeted to serve. Mr. Chapman reiterated the reasons behind lower number, positions were approved last session, and it was based on a staffing ratio. Mr. Chapman discussed the number of clients that could be served if all vacant positions could be filled.

Mr. Chapman listed the three scenarios that Chairwoman Leslie had previously listed and gave a brief explanation concerning caseload and staffing uncertainties.

Assemblywoman Buckley felt the numbers were completely out of alignment. Assemblywoman Buckley referred to [Exhibit C](#), and stated the number of actual clients served in FY 2005 in SNAMHS and NNAMHS and compared it to the numbers projected in FY 2009, yet all the emergency beds in Clark County filled with the mentally ill. Assemblywoman Buckley strongly urged that the number be readjusted to fit reality and was not sure whether the number adjusted should be in the north or south; however, the needs of both communities should be met.

Chairwoman Leslie said that another issue was could positions be filled that were previously approved.

Dr. Brandenburg replied that in PAS, the agency would be able to fill the psychologist, the family services specialists, and psychiatrist positions. There

would be challenges with the nurses because of the number of nurse vacancies. Dr. Brandenburg referred to option two given by Mr. Chapman and Chairwoman Leslie and said it was to serve 1,365 clients which meant PAS could not increase and that was not the case. Dr. Brandenburg thought PAS would increase to the budgeted number because of the new system, especially with the fifth clinic being opened in June 2007.

Chairwoman Leslie asked whether Dr. Brandenburg preferred to not eliminate positions but restore some nurses. Dr. Brandenburg was not confident in the number of nurses that could be hired. He did not want to ask the Subcommittee for the 4 psychiatric nurse positions when there were close to 45 vacant positions in Las Vegas.

Assemblywoman Buckley asked about mental health counselors and other professionals working in concert with the psychiatrists. Assemblywoman Buckley stated she had received an email from someone in an emergency room department that had 22 beds, and 8 were filled with the mentally ill. Assemblywoman Buckley asked whether there were different options.

Dr. Brandenburg said that the agency tried to push the paradigm, bringing in counselors, psychologists, psychiatrist social workers, and technicians to provide services. Last biennium was an aberration, trying to fill so many positions at one time.

Chairwoman Leslie clarified for the Subcommittee that the Governor's recommendation was to eliminate the four psychiatric nurse positions, so the question was did the Subcommittee want to accept that recommendation.

Dr. Brandenburg stated that he was comfortable with the Governor's recommendation on eliminating the four nurses because of the current amount of vacant nurse positions in the Division.

Senator Cegavske referred to option three and asked Dr. Brandenburg the number of nursing positions vacant. Dr. Brandenburg answered 45, but most were in the inpatient hospital. Senator Cegavske asked how he felt about option three with the elimination of some positions. Dr. Brandenburg did not like option three. Senator Cegavske was in a dilemma because staff had said option three might be a reasonable alternative.

Chairwoman Leslie said that, after hearing the discussions, she could see the caseloads were increasing.

Assemblywoman Gansert referred to salary adjustment for positions [E814] and asked whether that could be applied to some of these positions and help recruit for open positions. Dr. Brandenburg replied that this would help with recruiting.

ASSEMBLYWOMAN BUCKLEY MOVED THAT THE
SUBCOMMITTEE NOT ELIMINATE ANY POSITIONS IN PAS
[M204].

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

Chairwoman Leslie's concern was Dr. Brandenburg's testimony regarding the difficulty in hiring nurses and might be interested whether there were positions, other than nurses, that could help with this problem.

Dr. Brandenburg replied that he could probably get mental health counselors and social workers, but nurses were very difficult.

Assemblywoman Buckley said that she would rephrase the motion, but with the clients increasing she did not want to reduce positions. If the Subcommittee would accept a motion to keep the existing level of funding and allow staff and the Division to work on appropriate positions, she would be willing to modify the motion. Chairwoman Leslie agreed that this would be a better plan and reminded the Subcommittee this would be an increase to the budget because the Governor had eliminated the psychiatric nurse positions cost by \$372,460 in FY 2008 and \$367,503 in FY 2009.

Chairwoman Leslie asked Dr. Brandenburg his honest assessment of Assemblywoman Buckley's suggestion and would it be helpful. Dr. Brandenburg said that it would, especially since the agency was decentralizing.

Chairwoman Leslie recommended that M204 be held until Dr. Brandenburg could return to the Subcommittee with suggestions for positions instead of nurses. Chairwoman Leslie asked whether the Subcommittee was okay with that suggestion.

Senator Cegavske said she would not be able to support the motion, but had problems trying to create other options when there was not justification. Senator Cegavske thought the Subcommittee should agree to one of the three options; otherwise, if there was something else the Division wanted, they should have to make their case and come before the Subcommittee again. Senator Cegavske said with 45 vacant nurse positions, she had a hard time adding 4 more nursing positions that were not going to be filled and vacancy money sitting in the budgets. Senator Cegavske would support a motion that would go with the Governor's recommendation, close this decision unit and, if there were a case to be made for other positions, then bring the information back to the Subcommittee.

Chairwoman Leslie asked whether there was a possibility of using funds for contract nurses. Dr. Brandenburg said that was possible. Chairwoman Leslie asked whether this was what the program needed. Dr. Brandenburg said that he recommended to the Subcommittee that they approve as the Governor recommended the elimination of the four psychiatric nurse positions. If the other positions were not eliminated, the four nurse positions were not going to impact PAS. Dr. Brandenburg said he could use the nurses, but he was trying to catch up on hiring for positions from 2005.

Senator Mathews asked whether the psychiatric nurses were just in the clinics, with regular clinic hours, or were these around-the-clock, 24-hour nurses. Dr. Brandenburg answered they were 24-hour nurses. Senator Mathews said that you could not replace a nurse with a counselor. The duties of a 24-hour nurse were different than a counselor. Senator Mathews asked whether traveling nurses were used. Dr. Brandenburg answered that traveling nurses were what was keeping the agency afloat. Dr. Brandenburg clarified that when he talked about the 24-hour nurses, he meant at Rawson-Neal Psychiatric Hospital, not at the clinics.

Chairwoman Leslie stated that PAS was not the residential program, so the four psychiatric nurses for this program were not 24-hour nurses.

Assemblywoman Buckley wanted the Division to work with fiscal staff, and if nurses could not be found to fill the positions, she would be supportive of not pushing forward with the recommendation for positions. However, because the number was 12,633 served in Clark County in 2006, she had a hard time with not being able to adjust the client number. Assemblywoman Buckley said justification was made last session, which was why the positions were approved, but if the issue was that the positions could not be filled, there were still people in the emergency rooms, community, and on the streets so there needed to be a better delivery system. Assemblywoman Buckley referred to the numbers approved earlier for NNAMHS, and commented that if the Subcommittee was approving an increase of 4,000 clients to be served in northern Nevada, she had a hard time telling southern Nevada "sorry, we are not going to serve one more mentally ill person in Clark County, but 4,000 more in Washoe County."

Chairwoman Leslie agreed and put M204 on hold and told Dr. Brandenburg to reflect on this item and bring it back to Subcommittee.

Chairwoman Leslie referred to the six new administrative support positions [E432] and said staff stated that the IT positions appeared to be reasonable, and the personnel analyst also appeared reasonable. Chairwoman Leslie said that staff had some issues with administrative assistant staff and asked Mr. Chapman to review.

Mr. Chapman again identified a number of administrative positions that had been approved and currently authorized in this account. Three more were recommended in E432, and the positions had been targeted to act as office managers. Mr. Chapman explained that the concern staff had was when maintenance and enhancement units have been approved for staffing, the ratio was 4 to 1, adding an administrative position for every 4 clinical positions. Because of the continuous staffing support for the clinical positions, staff recommended not approving the three positions.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE:

1. APPROVE THE GOVERNOR'S RECOMMENDATION FOR THE TWO TECHNOLOGY POSITIONS IN DECISION UNIT E432.
2. APPROVE THE GOVERNOR'S RECOMMENDATION FOR THE PERSONNEL ANALYST POSITION IN DECISION UNIT E432.
3. NOT APPROVE THE THREE ADMINISTRATIVE ASSISTANTS.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chairwoman Leslie stated she would not support cutting E329, the increased security for the SNAMHS Campus.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE APPROVE E329 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chairwoman Leslie said that only the technical adjustments were left in this budget, and the mental health court caseload which had been discussed. Chairwoman Leslie felt the mental health court caseload should be put on the "add list."

Senator Cegavske said that Judge Jackie Glass from the mental health court was in the audience and wanted to thank her for all she was doing.

Senator Titus wanted the Subcommittee to keep in mind the need for growth funding and had statistics she wanted to provide to the Subcommittee.

Chairwoman Leslie said she needed a motion.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE:

1. APPROVE E811, E901, E902, E502, E905, AND E328.
2. APPROVE A TECHNICAL ADJUSTMENT FOR AMENDMENT NUMBER 56.
3. PUT THE MENTAL HEALTH COURT CASELOAD ON THE ADD LIST.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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Chairwoman Leslie thanked Dr. Brandenburg and his staff and thanked Mr. Chapman for his hard work.

HEALTH AND HUMAN SERVICES
AGING SERVICES GRANTS BA 3410
BUDGET PAGE AGING-1, VOLUME II

Rick Combs, Program Analyst, Fiscal Analyst Division, stated the major closing issue was the transfer of two positions, the grants and project analyst and an auditor, to Aging Older Americans Act budget account (BA) 3151. The positions manage and audit federal grant programs funded in BA 3151. Several positions in BA 3151 managed grants in BA 3151 and BA 3410. The Division provided assurances that the use of federal administrative costs allowance funds was appropriate to fund costs of these positions based on time-studies to be implemented in the 2007-09 biennium, if the positions were transferred. Mr. Combs said that recommendations to transfer the two positions appeared reasonable to staff, but staff recommended that expenditures for the statewide cost allocation plan (SWCAP) and the purchasing assessment stay in this account. There was insufficient administrative expenditure authority to pay the entire amount of the SWCAP expenditures, but staff increased SWCAP to the amount projected to be available under the administrative cap.

Mr. Combs referred to the increase in tobacco settlement revenues and said the Governor recommended a sizable reduction in fiscal year (FY) 2008, because a lowered April 2006 payment resulted in a reduction in the funds available for

expenditure in FY 2007. However, a payment received in April 2007 was higher than the amounts projected in the Governor's recommended budget. Mr. Combs stated as a result, the revenues for this account have been increased by \$735,584 in FY 2008 and by \$739,913 in FY 2009. The increased revenues resulted in increased funding available for administrative expenditures. Authority to award independent-living grants had been increased by \$682,197 in FY 2008 and \$714,419 in FY 2009.

Mr. Combs noted that the Governor recommended the continued transfer of \$311,631 in tobacco settlements funds to provide funding for the community home-based initiative (CHIP) waiver services and to transfer \$192,166 in tobacco settlement funds to the homemaker program in each year of the 2007-09 biennium, consistent with the funds approved last biennium.

SENATOR CEGAVSKE MOVED THAT SUBCOMMITTEE APPROVED
AS RECOMMENDED BY STAFF IN BA 3140.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley and
Assemblyman Denis were absent for the vote.)

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES
AGING OLDER AMERICANS ACT BA 3151
BUDGET PAGE AGING-5

Rick Combs, Program Analyst, Fiscal Analyst Division, said the first major closing issue was a request for a new personnel officer position [E250]. The recommended General Funds, totaling \$68,858 in fiscal year (FY) and \$89,890 in FY 2009, were for the costs of the new position. The Division administrator and the executive assistant to the administrator coordinate all personnel matters through the Department of Health and Human Services' (DHHS) deputy director for administrative services. Mr. Combs reported that personnel matters were consuming approximately 50 percent of the executive assistant's time and as much as 25 percent of the administrator's time.

Mr. Combs said that each of the larger divisions within the DHHS had personnel officer positions. The Division of Health Care Financing and Policy (DHCF&P) did not have a personnel officer, but had a personnel analyst position. Based on the size of the Division for Aging Services, it appeared that an additional personnel support position was warranted. Mr. Combs said there was a question regarding the type of personnel position that was needed. A personnel officer and personnel analyst were paid at the same level. Because the Department of Personnel was ultimately responsible for the determination of the classification of positions that were approved by the Legislature, staff believed that approving funding as recommended by the Governor for a personnel officer 1 was reasonable.

Mr. Combs said the only other issue in regards to the personnel officer was the Title III and Title XIX funds that were available to fund a portion of the cost for the position. The allocation of the position's cost results in a reduction of

General Funds in the amount of \$44,758 in fiscal year (FY) 2008 and \$58,475 in FY 2009.

Mr. Combs referred to the next major closing issue, which was the two new social work supervisor positions [E252]. The Governor recommended General Funds totaling \$115,087 in FY 2008 and 151,542 in FY 2009 for the costs of the two positions for the elder rights unit. Mr. Combs said two elder rights advocate 2 positions were currently serving as lead positions. The lead positions currently investigate approximately one-half the complaints of abuse or neglect in long-term care facilities investigated by the elder rights advocate 2 positions because of their additional duties as lead positions. These two new positions would also reduce the workload of the unit's two social services manager positions.

Mr. Combs said that during FY 2005, the ten existing elder rights advocate 2 positions investigated 14,567 elder rights complaints. The Division had projected the elder rights advocate 2 positions would investigate over 20,000 complaints. It does not appear that the approval of the two new supervisor positions would enable the Division to perform quarterly visits, but would enable the Division to increase its visits. Mr. Combs stated that based on that information, the recommendation for two new supervisory positions for the Long-term Care Ombudsman Program appeared to be reasonable. There were some federal funds available to replace some General Fund support. By using federal funds to support a portion of the cost for the positions, the General Funds required to support the positions in the account were reduced by \$64,215 in FY 2008 and \$77,855 in FY 2009.

Mr. Combs referred to the third major issue which was General Fund appropriations for RSVP Lifeline [E325]. This program was receiving funds from the grants account. There were concerns expressed regarding the reliability of tobacco settlements funds and RSVP Lifeline sought General Funds as a more stable revenue source. Prior to the Subcommittee hearing on March 15, 2007, the Governor submitted budget amendment number 52 to eliminate the funding for RSVP. Mr. Combs said that a portion of the General Fund savings was used to offset a shortfall in General Fund match in the Medicaid account for the Division's equipment request in E710 of the senior services program account [BA 3146]. Mr. Combs reported that based on the concerns expressed during the budget Subcommittee hearing prior to the session, the budget amendment to eliminate the funding recommended in decision unit E325 appeared reasonable.

Mr. Combs said the final major closing issue was the expansion of the Senior Ride Program [E327]. The Governor recommended increasing the expenditures for the program by \$390,014 in each year of the biennium. The increased expenditures were recommended to be funded in each year with \$189,024 in fees collected by the Division from program participants and \$200,990 in funds transferred from the Taxicab Authority. The Senior Ride Program provided discounted taxicab fares to all Clark County residents who were 60 years old or older or who had a permanent disability. The Division sells coupon books to eligible participants for one-half the face value of the coupon books. The coupons then can be provided to the taxicab driver in lieu of cash. Mr. Combs stated that because the coupon books sold by the Division expire and were not refundable or exchangeable, the Division indicated that it had historically allowed funding from expired coupon book sales and transfers from the Taxicab Authority for coupon books that have been sold but not redeemed to accumulate in this account. In FY 2006 and FY 2007, the Division used that

money to increase the number of coupon books that were sold. Mr. Combs reported that the Division had some success in lowering the accumulation of funds but indicated that it would reduce the funding requested from the Taxicab Authority this fiscal year by approximately \$200,000 to help reduce the accumulated funds. In the future, the Division indicated that it would only draw down funds from the Taxicab Authority as necessary to maintain a minimum cash balance of one month of expenditures.

Mr. Combs said that the Taxicab Authority budget closed in the General Government Joint Subcommittee on April 10, 2007. That Subcommittee expressed concerns regarding the reserve level in BA 4130, the Taxicab Authority account, but elected to transfer the funds recommended by the Governor. The General Government Joint Subcommittee voted to submit a letter of intent to direct the agencies to ensure that funds from expired coupon books do not accumulate in this account in the future. Mr. Combs said based on the actions of the General Government Joint Subcommittee, the increased funding for the Senior Ride Program appeared reasonable.

Mr. Combs reviewed the other closing items. There was a request for one-shot funding for replacement equipment, Assembly Bill 273, totaling \$115,820. Staff created a decision unit, E710, for the federal funding available to offset the General Funds appropriation in A.B. 273. The appropriation in A.B. 273 could be reduced to \$66,925.

Mr. Combs said the decision unit E253 was a request for board and commission salary funding totaling \$1,440 in each fiscal year of the 2007-09 biennium to ensure the Nevada Commission on Aging members could attend all meetings. The base budget included \$2,080 in each year of the biennium for board and commission pay. Mr. Combs reported that board and commission pay expenditures had not exceeded \$2,080 in any of the last five fiscal years and year-to-date expenditures for FY 2007 totaled \$880. Staff recommends denying the recommendation for additional board and commission pay expenditures.

Mr. Combs referred to E326 which was a request for In-State Travel funds for Strategic Plan Advisory Committee meetings. The office was using a portion of federal Olmstead Grant funds to fund travel costs. Because the DHHS Director's Office had indicated that the federal funds would be available to support the costs of the program in 2007-09 biennium, the General Fund appropriation for the decision unit had been replaced with federal funds transferred from the Director's Office account.

Mr. Combs said that staff recommended approval of decision unit E805, reclassifications of an administrative assistant 1 position to a 2 and a grants project supervisor to a social services manager position.

Mr. Combs stated there was a recommendation to increase the salary for an unclassified chief, elder rights position, E806 which was required to be an attorney licensed in this State. The position was not funded at the same level as other attorneys by the 2005 Legislature. The Subcommittee does not need to make a decision on this, but Mr. Combs wanted them aware of the decision unit because of the significant increase in salary, which appeared to be warranted.

Mr. Combs said that E814 was a statewide two-grade increase for a health care coordinator [nurse] position in this account.

Mr. Combs concluded by noting the transfer of positions from BA 3140 to this account and staff adjustments to ensure that the amounts matched.

Mr. Combs said, among technical adjustments, there were various federal grant revenues and expenditures that were aligned with the latest grant awards received by the Division. There were also additional General Fund match requirements that resulted from other adjustments. A technical adjustment had been made in the base budget to ensure that the transfer from the Energy Office to support the Division's senior transportation program totaled \$20,000 in each fiscal year.

Mr. Combs stated that staff requested authority to make technical adjustments to align transfers between Division accounts and to revise purchasing and statewide cost allocations.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE CLOSE
BA 3151 AS STAFF RECOMMENDED AND GIVE STAFF THE
AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley and
Assemblyman Denis were absent for the vote.)

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES
SENIOR SERVICES PROGRAM, BA 3146
BUDGET PAGE AGING-12, VOLUME II

Rick Combs, Program Analyst, Fiscal Analyst Division, started with the first major closing issue which was the new Assisted-Living (AL) waiver [M201 and M202]. Per Assembly Bill No. 284 of the 73rd Legislative Session, the Division received approval for a new Medicaid waiver program to serve clients in AL facilities that were financed by low-income housing tax credits and were certified as affordable by the Housing Division of the Department of Business and Industry. Mr. Combs said that after the Assisted-Living waiver was approved, the Division designated 54 of the slots approved for the waiver for elderly in adult residential care (WEARC) group-care waiver in fiscal year (FY) 2007 for the new assisted-living waiver.

Mr. Combs said that decision unit M201 and M202 recommended continuing the 54 slots available for the assisted-living waiver during the 2007-09 biennium. There were no additional costs associated with the decision units. The Division, as of April 20, 2007, had filled 43 of the 54 slots available and was awaiting federal approval to fill 3 additional slots. The Division also said that it had 6 more cases in process that have not yet been submitted for approval. Based on the information, it appeared that the 54 slots would be filled; therefore staff recommended approval.

Mr. Combs said the next major issue was the additional Medicaid waiver slots that were recommended for each of the division's three Medicaid waiver programs. To manage the additional slots, the governor recommended nine new program positions, which included eight new social worker 2 positions and a

new social worker supervisor position. Mr. Combs reported that the Governor recommended Medicaid funds through Title XIX totaling \$995,155 in FY 2008 and \$1,508,496 in FY 2009. The funding for the WEARC and AL waivers was budgeted in the Medicaid account, but costs for the positions necessary to manage the caseloads were budgeted in this account.

Mr. Combs had provided the Subcommittee with a table which showed the new slots that were recommended by the Governor totaling 302 slots, 169 for Community Home-based Initiative Program (CHIP), 79 for WEARC, and 54 for AL.

Mr. Combs said he would cover the three waiver programs individually.

Mr. Combs said the CHIP waiver was budgeted in FY 2007 for 1,617 slots and the current projection was 1,416 slots, a difference of 201. Based on a request from the Joint Subcommittee at the March 15, 2007, hearing to reevaluate the recommended additional 169 slots because of the Division's inability to serve the caseload, the Division indicated that it recommended eliminating decision unit M541, which included funding for 73 slots and two social worker positions. The elimination of the 73 additional slots results in sufficient funding to provide services for 249 additional monthly cases in FY 2008 beyond the FY 2007 projections. An additional 48 slots could be served in FY 2009.

Senator Titus said she thought the CHIP program was wonderful and asked whether there a waiting list. Mr. Combs said that the problem was not a lack of clients, but the trouble the Division had getting social worker positions filled and keeping them filled. The waiting list as of April 1, 2007, was 451 people and the time on the wait list was 76 days. Mr. Combs commented that 451 people was a large number, but was significantly reduced from where it had been in the past. If the Division was able to get the 201 slots filled which were approved for FY 2007, that would reduce the wait list.

Mr. Combs referred to the WEARC waiver and the three decision units that affect it. Decision unit M200 recommend 10 new slots in FY 2008 and an additional 10 new slots in FY 2009 based on the caseload growth projection. Decision unit E400 recommended 25 new slots in FY 2008 to allow access to the waiver services directly from the community. Decision E403 recommended 33 new slots in FY 2008 and one additional slot in FY 2009 to reduce the number of people on the waiting list. Mr. Combs provided the Subcommittee with a chart which showed that more clients were served than budgeted for in the current fiscal year.

Mr. Combs said the Division indicated that it currently had 95 people on the wait list for the WEARC program and that the average time was approximately 58 days. Based on the request from the Subcommittee and the current wait times for the program, the Division had indicated the 34 additional slots and new social worker position recommended in E403 could be eliminated. The Division requested to maintain the 20 additional slots recommended for caseload growth and the 25 new slots recommended to address the elimination of waiver parameters.

Mr. Combs stated that decision unit E401 recommended 54 new waiver slots for the AL waiver program in FY 2008 and would bring the total for the program to 108 slots. Based on indications that the new affordable assisted living facility in southern Nevada would not be completed until March 2009, the Division recommended reducing the number of slots from 54 to 25 with 10 of

the new slots beginning in March 2009 and a total of 25 coming on line in the last quarter of the fiscal year. Mr. Combs said the Division indicated that the new social worker 2 position recommended in E401 to manage the new slots could be deferred until the 2009-11 biennium based on the delayed opening date for the facility.

Mr. Combs summarized that:

- The Governor recommended 169 new slots for the CHIP waiver, and staff recommended reducing slots by 73 for a total of 96 new slots.
- The Governor recommended 79 new slots for the WEARC waiver, and staff recommended reducing slots by 34 for a total of 45 new slots.
- The Governor recommended 54 new lots for the AL waiver, and staff recommended reducing slots by 29 for a total of 25 new slots.

Mr. Combs said that overall the Governor's recommended slots was 302, which would be reduced to 166 slots based on staff recommendations.

Mr. Combs said that staff was concerned that the Division would have difficulty serving all of the slots for the CHIP waiver in addition to the 201 cases that it was unable to serve this fiscal year. The Division had recently filled all but one of its social worker positions and implemented new practices to remove people from the wait list. Mr. Combs stated that the Division continued to recruit aggressively for social workers and indicated that seven new social workers had been hired in the Las Vegas area since September 2006. Staff believed that the number of slots among the three waiver programs appeared reasonable for the 2007-09 biennium. Mr. Combs said the Subcommittee should note that if additional slots were needed for any of the programs and the other programs had available slots, the Division had the authority to use the available slots as needed as long as the total Title XIX funds required did not exceed the amounts budgeted.

Mr. Combs said M540 was the recommendation for nine additional slots for state-funded Community Options for Elderly Persons (COPE) program. These were nine slots for people who received assistance with bathing, toileting and feeding, pursuant to Chapter 426 of the *Nevada Revised Statutes* (NRS). The waiting list for the COPE program included 110 people, and the average wait time over the last 6 months had been 91 days. Based on the information provided by the Division, the recommendation appeared reasonable.

Mr. Combs said there was a request for two new information technology (IT) positions in E275 which were computer network technician and information services specialist (ISS) 3 positions.

Mr. Combs explained that the ISS 3 position would serve as the manager of the Division technology unit and would be responsible for ensuring the appropriate configurations, technical development, and security for the agency information systems network. The primary responsibility of the position would be to support the Senior Assistance Management web-based data system (SAMS). Mr. Combs said the Division indicated that the use of this position to serve as a project manager over its system applicants would free up the time of existing ISS 2 position to address the remaining IT needs of the Division. Based on the information provided, the recommendation appeared reasonable.

Mr. Combs referred to the new computer network technician who would ensure proper installation, maintenance, and monitoring of computer hardware and

software and provide technical support and training. The Division indicated that the position would act as a lead for the existing two computer network technician positions. Mr. Combs said that although the Division had indicated that the position would assist with the SAMS case management software application, it appeared that the position was being requested to serve the entire Division.

Mr. Combs said the Division had provided information attempting to support the need for the new computer technician. The computer technician assigned to northern Nevada was responsible for servicing approximately 150 nodes (or networked devices) used by approximately 100 users in the three offices in Reno, Carson City, and Elko. Mr. Combs stated that the Division indicated that its estimated need for support staff was based on a Gartner staffing guide which indicated that an organization required approximately one technician for every 60 to 65 users. Mr. Combs compared other State agencies staffing in this regard. The current ratio of technicians to computers and printers for the Division of Welfare and Support Services was 235 to 1. The Department of Administration's IF Optimization Study conducted in 2004 indicated that an appropriate budget would provide annual technical support for 8 to 10 hours per agency PC and 30 to 40 hours per agency server. Based on this analysis, staff does not recommend approval of the new computer technician position. Mr. Combs added that if the Subcommittee wished to approve the computer network technician position, staff requested the authority to transfer the position to BA 3151 and allocate the costs of the position appropriately to the Division's other programs.

Mr. Combs said that another closing item was E710, replacement equipment totaling \$10,728 for computer replacements. Staff adjusted the decision unit to fund one-half of replacement in each year of the biennium which was in accordance with the Division's replacement schedule and reduced the number of replacement telephones from 13 over the biennium to 3 in each year.

Senator Mathews asked about the COPE program and what level of pay the people who provide the services received. Mr. Combs said he would need help from the Division on how much of the contract payments were actually passed on to the service providers.

Carol Sala, Administrator, Aging Services Division, stated that last session the rate for personal care assistants for the different agencies was raised to an \$18.50 per hour rate provided to the social services agency, then it was up to the agency to set the rate for the actual aide. The Division tried to require the agencies to pass the increase onto the aide. Ms. Sala indicated that some of the agencies had increased the pay rate, which produced a competitive field, and some home health agencies, which had raised the salary for their aides, saw a transfer of aides to their agencies.

Senator Mathews stated that \$18.50 per hour was not a lot of money and knew agencies would take their portion from the top. Senator Mathews understood the rate was increased last session, but asked whether the aides actually received the increase and could Ms. Sala get that information for her. Ms. Sala said she would provide the information.

Chairwoman Leslie commended the work of the Aging Division staff and Mr. Combs because this had been a difficult budget.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE CLOSE
BA 3146 AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley was not
present for the vote.)

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES
ESP/HOMEMAKER PROGRAMS BA 3252
BUDGET PAGE AGING-27, VOLUME II

Rick Combs, Program Analyst, Fiscal Analyst Division, said there were no major closing issues. One closing item was a base budget adjustment to increase the contract services cost in this account by approximately \$46,000. The base budget adjustment was the result of the Division using contract services to provide the support rather than using intermittent positions. Based on the information provided, the staff recommended that the adjustment appeared reasonable.

Mr. Combs said that E710 was replacement equipment totaling \$37,440. Staff adjusted the decision unit to fund one-half of the replacement in each year of the biennium.

Mr. Combs said there was a small technical adjustment to increase the Title XX transfer to match funds from the Department's Grant Management Unit account.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE CLOSE
BA 3252 AS RECOMMENDED BY STAFF.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley was not
present for the vote.)

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HEALTH AND HUMAN SERVICES
SENIOR CITIZENS' PROPERTY TAX ASSISTANCE BA 2363
BUDGET PAGE AGING-31, VOLUME II

Rick Combs, Program Analyst, Fiscal Analyst Division, stated the major closing issue was M200. The Governor recommended General Fund appropriations totaling \$894,274 in fiscal year (FY) 2008 and \$1,409,867 in FY 2009 to provide for projected growth in refund payments. This was based on a 5.5 percent projected increase in the estimated average refund amount and 3.5 percent projected increase in the number of applications. Mr. Combs reported that at the Subcommittee meeting conducted on March 15, 2007, the refund expenditures for FY 2007 were \$217,200 less than the amount approved by the 2005 Legislature. The number of refunds for FY 2007 increased by only

1.5 percent from FY 2006, and the average refund in FY 2007 was \$323 as compared to \$325 in FY 2006. Mr. Combs said that based on the FY 2007 refund expenditures, the Governor had proposed budget reductions for the M200 decision unit totaling \$545,447 in FY 2008 and \$729,046 in FY 2009. The budget reductions appeared to be based on reducing the average refund from the projected amount of \$343 to the actual average amount of \$323 and increasing that average refund amount by 3 percent rather than the original projection of 5.5 percent in each year of the 2007-09 biennium.

Mr. Combs said Russell J. Guindon, Senior Deputy Fiscal Analyst, Fiscal Analysis Division, and he had reviewed the refunds issued for FY 2007 and analyzed the effects that the property tax abatement legislation from last session might have on the program. Staff determined that applying a growth rate to the average refund amount overstated the potential growth in the average refund amount because many of the participants of the program were currently capped at the \$500 maximum refund allowed by statute. Mr. Combs stated that it appeared reasonable to apply the 3 percent growth rate used in the Governor's revised numbers for participants who own their home; however, for participants who rented, it appeared that the growth rate should be based on the average increase in rent. From analyzing fair market rents reports prepared by the Department of Housing and Urban Development for the Reno and Las Vegas metropolitan areas, staff determined that the annual growth rate was 4.6 percent. Staff recommended applying a 2.9 percent annual growth rate to the number of participants based on the average increase in participants over the last eight fiscal years. Mr. Combs stated that the adjustment staff recommended would reduce M200 by \$627,363 in FY 2008 and \$891,095 in FY 2009. This was an additional reduction of \$81,916 in FY 2008 and \$162,049 in FY 2009 from the reduction recommended by the Governor.

Senator Titus asked the Subcommittee for consideration, before this budget was reduced, of the two bills that were pending that were supported by most of the Legislature. One bill would increase the potential refund which had not been increased in several decades, and the other would increase the asset limits for a participant to remain eligible.

Mr. Combs recommended closing the budget based on the \$500 cap and then as the bills were passed, staff would help assist in including any appropriation that the Legislature might approve necessary to build the funding back to cover the new cap level.

Chairwoman Leslie said the only other option was to hold the budget. Senator Titus responded that she did not want to hold the budget up, but she had reviewed the amount that was being reduced, and it seemed like the right amount to fund the bills.

Senator Cegavske said she had heard concerns regarding the property tax caps 3 percent and 8 percent. She asked whether there was anything in any bills that was going to adjust those caps. Mr. Combs indicated that there were technical adjustments that were being made to the abatement provisions, but there was nothing to change the 3 percent and 8 percent limits.

Mr. Combs continued with E275 which recommended \$8,532 in FY 2008 to convert the program's Access database to a Structured Query Language (SQL) database. The Division indicated that the conversion would allow for better program support and improve the Division's ability to manage the program. The recommendation appeared reasonable.

Mr. Combs referred to E325 which recommended \$1,309 in each year of the 2007-09 biennium to restore the In-State Travel expenditure authority to the FY 2007 work program level. The recommendation appeared reasonable.

Mr. Combs said decision unit E710 recommended \$1,580 over the 2007-09 biennium for the replacement of a personal computer and the purchase of antivirus software. The recommendation appeared reasonable.

Mr. Combs concluded that this account was funded entirely with General Funds and that the Division was authorized to balance forward unexpanded funds from one fiscal year to the next. The Division projected that its revenue would exceed expenditures in FY 2007 by approximately \$335,000, so there would be a balance forward to FY 2008 that could reduce the General Fund appropriation need.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE CLOSE
BA 2363 AS RECOMMENDED BY STAFF.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley was not
present for the vote.)

BUDGET CLOSED.

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HEALTH AND HUMAN SERVICES
PUBLIC DEFENDER BA 1499
BUDGET PAGE PUBLIC DEFENDER-1, VOLUME II

Rick Combs, Program Analyst, Fiscal Analyst Division, stated there were significant changes in this budget. After the hearing on February 8, 2007, there was a notification from Humboldt and Pershing Counties that they would no longer use the services of the office during the 2007-09 biennium. Mr. Combs said the Director's Office indicated that this would result in the need for approximately \$65,000 in additional General Funds. The budget was based on the percent of time the office spent on State matters versus the percent of time on county matters. By removing two of the counties, it increased the percentage of the budget the State would be responsible for funding. The Governor's recommendation was to fund the non-post-conviction relief expenditures at a ratio of 79 percent for the county and 21 percent for the State. By removing the two counties, the percentage was changed to 75 percent county and 25 percent State.

Mr. Combs said that a formal budget amendment was not submitted; however, the Director's Office and the Budget Division have provided sufficient information allowing staff to recommend some reductions in expenditures in the account.

The Fiscal Analysis Division recommended the elimination of the three positions in the Winnemucca office and the associated In-State Travel, operating, and information services expenditures from the base budget as a result of Humboldt and Pershing counties electing not to use the services. Based on the elimination of the counties from the calculation of the percentage, staff recommended

funding 25 percent of those expenditures with General Funds and 75 percent county fees.

Mr. Combs said the second major closing issue was the new investigator position for the Ely office [E251]. Based on the decision of Humboldt and Pershing counties not to use the services of the office during the 2007-09 biennium, the Public Defender indicated that the new investigator position for the Ely office should be eliminated. Mr. Combs stated the elimination of the need to serve Humboldt and Pershing counties would free up time for the current investigators to provide additional services in White Pine County. Based on the information provided, it appeared reasonable not to approve the new investigator position.

Mr. Combs said other closing items included E325, which recommended \$6,968 in each year of the biennium to send two deputy public defenders to the National Criminal Defense College's Trial Practice Institute. The recommendation appeared reasonable.

Mr. Combs said E326 recommended \$14,500 in private grant funds in each year of the biennium to create a Public Defender Commission as a result of an audit report that was completed in September, 2004. In response to questions raised at the Subcommittee hearing, the Director's Office indicated that a reliable funding source for the costs associated with the commission had not been identified, and the decision unit could be eliminated. Staff has eliminated this decision unit, but if reliable funding sources became available, the Public Defender's Office could submit a work program to receive those funds.

Mr. Combs referred to E710 which recommended \$18,000 in fiscal year (FY) 2008 and \$7,112 in FY 2009 for the replacement of computer equipment. The recommendation appeared reasonable.

Senator Mathews referred to E325 and asked whether the training was for continuing education units (CEU). Mr. Combs answered that E325 was specific training for public defenders on trial preparations. Senator Mathews asked whether they would receive CEUs for the training. Mr. Combs believed that there was credit given. Senator Mathews said professionals should be paying for their own CEUs.

Mr. Combs said there was a technical adjustment to adjust the statewide cost allocation.

Chairwoman Leslie referred to Pershing and Humboldt counties and stated that the Subcommittee had been provided the notification letters from the two counties.

SENATOR CEGAVSKE MOVED THAT THE SUBCOMMITTEE CLOSE
BA 1499 AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

THE MOTION PASSED. (Assemblywoman Buckley was not
present for the vote.)

BUDGET CLOSED.

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Chairwoman Leslie adjourned the meeting at 12:22 pm.

RESPECTFULLY SUBMITTED:

Christine Bashaw
Committee Secretary

APPROVED BY:

Assemblyman Shelia Leslie, Chair

DATE: _____

Senator Barbara K. Cegavske, Chair

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Assembly Committee on Ways and Means/Senate Committee on Finance Joint Subcommittee on K-12/Human Services</u>			
Date: <u>April 27, 2007</u>		Time of Meeting: <u>8:10 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Steve Abba, LCB	History of Caseload Changes