

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

**Seventy-fourth Session
February 8, 2007**

The Subcommittee on K-12/Human Services of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order at 8:04 a.m. on Thursday, February 8, 2007. Chair Barbara K. Cegavske presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Barbara K. Cegavske, Chair
Senator Dina Titus
Senator Bernice Mathews

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

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

SENATE SUBCOMMITTEE MEMBERS ABSENT:

Senator William J. Raggio (Excused)

GUEST LEGISLATORS PRESENT:

Mr. John C. Carpenter, Assembly District No. 33

STAFF MEMBERS PRESENT:

Gary L. Ghiggeri, Senate Fiscal Analyst
Mark W. Stevens, Assembly Fiscal Analyst
Rick Combs, Program Analyst
Michael Bohling, Committee Secretary

OTHERS PRESENT:

Michael J. Willden, Director, Department of Health and Human Services
Michael Torvinen, C.P.A., Deputy Director, Finance, Director's Office,
Department of Health and Human Services
Misty Vaughan Allen, M.A., Suicide Prevention Coordinator, Office of Suicide
Prevention, Department of Health and Human Services
Mary Liveratti, Deputy Director, Programs, Director's Office, Department of
Health and Human Services
Kathy Jacobs, Executive Director, Crisis Call Center, Reno

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Karen Barsell, CEO and President, United Way of Northern Nevada and the Sierra
Robert T. Hogan, M.S., Program Director, Nevada Community Enrichment Program
Rhondelle A. Blankenship
Betty Hammond, M.S.W., C.R.C., Social Services Specialist, Office of Disability Services, Department of Health and Human Services
Laurie Olson, Program Manager, Senior Rx/Disability Rx, Department of Health and Human Services
Laura Hale, Chief, Grants Management Unit/Department of Health and Human Services
Steven G. McGuire, State Public Defender, Office of the State Public Defender
Jack Mayes, Executive Director, Nevada Disability Advocacy & Law Center
Don Jackson, Ph.D., Project Director, Positive Behavior Support-Nevada

CHAIR CEGAVSKE:

I have asked the Department of Health and Human Services (DHHS) staff to notify this Committee of vacancies and new positions in all agencies and budgets that come before us. If that information cannot be provided today, please provide the information as soon as possible.

MICHAEL J. WILLDEN (Director, Department of Health and Human Services):
Please refer to the "Overview of the Director's Office Budget Presentation" ([Exhibit C](#), original is on file in the Research Library). We will be discussing four new positions highlighted in the organizational chart under the tab labeled DHHS Organization.

The pie chart, under the tab labeled DO Budget Review, represents the DHHS overall budget and the following pages describe the roughly \$127.8 million in budget accounts the Office directly oversees.

The following eight tabs provide detailed information for questions raised during the budget overview presentation at the January 24, 2007, budget hearing. We have distributed a corrected and updated chart ([Exhibit D](#)) to replace the chart on page 37.

Mr. Torvinen will now discuss our budget accounts. We also have many of our program managers present to answer detailed questions that may arise.

MICHAEL TORVINEN, C.P.A. (Deputy Director, Finance, Director's Office, Department of Health and Human Services):
We will begin with budget account (B/A) 101-3150 on page 4 of [Exhibit C](#).

HUMAN SERVICES

HHS - Administration – Budget Page DHHS DIRECTOR'S OFC-1 (Volume II)
Budget Account 101-3150

MR. TORVINEN:

Budget Account 3150 contains the salary costs for everyone who works in the Office as well as the Suicide Prevention and Head Start State Collaboration programs. The Suicide Prevention section of the handout, beginning on page 23

of [Exhibit C](#), details the accomplishments in the program during the last biennium. Included in those accomplishments are the completion of the Nevada Suicide Prevention Plan and being certified as program trainers in the Applied Suicide Prevention Skills Training (ASIST) program.

On page 24 is a summary of the Nevada Suicide Prevention Plan which is a three-point approach of awareness, intervention and methodology (AIM). The bottom of page 24 of [Exhibit C](#) illustrates the rate of suicide in Nevada is nearly twice the national average.

Page 26 shows the results of the Nevada Youth Risk Behavior Survey conducted in 2005. The survey estimates indicate nearly 22,000 Nevada youth seriously considered suicide, and over 20,000 actually made an attempt. This is a serious problem and one that warrants continued funding.

CHAIR LESLIE:

I am pleased with the progress made and have no problem with continuing the Suicide Prevention program. When were the two program positions filled?

MISTY VAUGHAN ALLEN M.A. (Suicide Prevention Coordinator, Office of Suicide Prevention, Department of Health and Human Services):

My position as coordinator was filled in December 2005, and the trainer networking facilitator position in Clark County was filled in March 2006.

CHAIR LESLIE:

These statistics show Nevada has the second highest rate of suicide in the nation. Were we not down as low as fourth place during this biennium?

MS. ALLEN:

We reached fourth place in 2001 and went to third in 2002. This is not due to Nevada's suicide rates fluctuating so much as it is the volatility of suicide rates in other states. Nevada's suicide rate has not increased dramatically.

CHAIR LESLIE:

Are there statistics you can provide the Committee in terms of the ages of people committing suicide and uncharacteristic situations such as those we are observing in Elko?

MS. ALLEN:

We are still working with 2004 statistics. Elko was in a crisis in 2006 and had reached 19 or 20 suicides by midyear. Elko County has formed a Suicide Prevention Network and the school district has formed a suicide prevention committee. In two weeks, we will be in Elko performing ASIST training for the school district's counselors and health teachers, as well as training for the community at large including Great Basin College and social workers from Ely State Prison. I do not have specific numbers because suicide is considered a rare event and statistics can be misleading as an indicator for the area.

CHAIR LESLIE:

The fact 19 people committed suicide in the first half of 2006 speaks for itself. It would be helpful if you could provide the raw data regarding the number of people and their ages. The reason I ask for data on Elko is we will be hearing

the Division of Mental Health and Developmental Services budget next week. We should closely scrutinize the positions slated for elimination that we have been unable to fill in rural Nevada. Suicide is a huge problem in Nevada. What should be the next step for this Legislature to take in the area of suicide prevention?

MS. ALLEN:

Access to treatment is crucial in dealing with ongoing suicidal behavior. Depression, substance abuse and mental health disorders are contributors in about 90 percent of all attempted suicides. Currently, people must drive to Reno or Clark County from Elko and other rural communities to receive inpatient treatment. Often, by the time they arrive at a treatment center they have de-escalated, and return to their communities untreated.

Retaining social workers and counselors in rural areas is crucial to reducing the number of suicides. Elko, with a population of 20,000 people, has only one counselor available to go to the emergency room.

Due to the similar risk factors involved, working to battle methamphetamine abuse through community coalitions and K-12 education will also have a positive impact on suicide rates.

Retaining and providing access to professionals in rural communities who are trained in the areas of mental health and substance abuse is the best strategy to reduce suicide rates in those communities.

CHAIR CEGAUSKE:

I understand filling positions is part of the problem.

CHAIR LESLIE:

There are 29 rural mental health positions that we have been unable to fill. The budget is contemplating eliminating those positions since they remain vacant. I suggest the Subcommittee carefully study the issue before eliminating those positions, and possibly provide incentives for increased recruitment and retention.

CHAIR CEGAUSKE:

Ms. Allen, do you feel our objectives, since we started this program, have been met?

MS. ALLEN:

Yes. The main objective of *Nevada Revised Statutes* (NRS) 439.511 was to form the Office of Suicide Prevention (OSP) and develop a statewide program for suicide prevention. We have accomplished that goal. Now, the objective is to secure funding, implement and evaluate the programs and employ a person to act as a trainer for suicide prevention and facilitator for networking in southern Nevada.

Another accomplishment was hiring a youth program coordinator through a \$1.2 million grant to work with mental health consortiums within the State to increase awareness, develop anti-stigma campaigns and link the kids and their

families with services in Clark County. We are evaluating that program and we hope to bring it to the rural communities and Washoe County.

ASSEMBLYWOMAN SMITH:

I recall, during the Interim Study of Suicide Prevention in 2002, there was a crisis in White Pine County. I hope we ensure all of the work and experience we gained with that task force can be used in the future.

ASSEMBLYWOMAN BUCKLEY:

Perhaps, when we address this issue next week, we can examine what types of recruitment efforts have been used in the past as they might direct us on what to try next. If recruitment is not working, we may want to consider offering scholarships similar to Western Interstate Commission for Higher Education (WICHE) for those who would contract to fill positions in the rural communities after graduation.

CHAIR CEGAUSKE:

We should look at the available WICHE slots and other areas where we can make changes.

MR. WILLDEN:

At the January 24, 2007, overview hearing there were some questions on this topic. We discussed four options concerning recruitment. One was adding a dedicated recruiter to the budget. Three decision units not funded in the budget were rural signing bonuses, a pay differential for those who move to rural areas to work and a retirement plan in which employees earn six years of retirement accrual for every five years worked.

MR. TORVINEN:

The Division of Child and Family Services (DCFS) secured a youth suicide prevention grant for OSP. We brought that funding into our Office to ensure a coordinated statewide suicide-prevention effort for youths and adults.

CHAIR CEGAUSKE:

Who does your grant writing? Is it your employees, or do you have a specific grant writer?

MR. WILLDEN:

Typically, it is the employees who write grants. We do not have a full-time grant writer. We try to find people in the community with whom we can contract to help write grants.

CHAIR CEGAUSKE:

We need to seriously consider funding a grant writer. We are one of the few states which do not actively pursue federal funds. There are funds available, but we do not always go after them.

MR. WILLDEN:

The overview statistics we provided in the last hearing show our inability, particularly for Mental Health and Human Services programs, to pursue federal grants. Many times they are formula grants where if you submit an application and follow through, you get the funds, but we are not able to do that often.

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SENATOR MATHEWS:

In pursuing federal grants, it is important to have a consistent grant writer. In time, they will recognize the quality and consistency of the grant application and the name associated with it. Grants that go to Washington D.C., with a familiar name on them receive less scrutiny.

MR. TORVINEN:

The Head Start Collaboration is 100-percent federally funded. Decision unit E-251 is a request for a State Motor Pool car. This is needed due to our office relocation. Before we moved, we were one block away from the Motor Pool and it was easy to get a car.

E-251 Working Environment and Wage – Page DHHS DIRECTOR'S OFC-4

CHAIR CEGAVSKE:

How many Motor Pool cars will you require for the Department as a result of moving from the Kinkead Building?

MR. TORVINEN:

We have requested one car for the director's office. The other divisions that moved already have cars.

CHAIR CEGAVSKE:

Do you anticipate you will need more cars due to the relocation of your office?

MR. TORVINEN:

We will have a combination of local mileage claims and Motor Pool use. We would be spending more on local mileage and our assessment is that it would be more economical to have a Motor Pool car.

CHAIR CEGAVSKE:

What is the per diem rate for the cars?

MR. TORVINEN:

The mileage rate is 48.5 cents. The Motor Pool car is about \$5,000 each year. It is budgeted to begin January 1, 2008, and for the full year of 2009.

CHAIR CEGAVSKE:

Have you weighed the cost benefits of acquiring a Motor Pool car?

MR. TORVINEN:

I did not do an exhaustive analysis. Taking into account the cost of processing travel claims, it will be beneficial to have a car.

ASSEMBLYWOMAN GANSERT:

The Motor Pool rates are about \$230 each week and 27 cents a mile.

MR. TORVINEN:

We would be happy to review the costs with staff.

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Decision unit E-252 will restore just over \$99,500 in travel and training funds over the biennium. This was previously funded but not spent due to vacancies during the base year, FY 2005-2006.

E-252 Working Environment and Wage – Page DHHS DIRECTOR'S OFC-4

CHAIR CEGAVSKE:

Is that why there is such a large increase in travel expenditures in this account?

MR. TORVINEN:

Correct.

CHAIR CEGAVSKE:

Is the increase 35 percent in 2008 and 27 percent in 2009?

MR. TORVINEN:

Correct. We have a schedule that estimates how much it will be.

CHAIR CEGAVSKE:

You did not spend that much in 2006.

MR. TORVINEN:

That is correct. If we had the positions filled, and they had been traveling as anticipated, it would have been part of our ongoing Base Budget expenditures.

CHAIR CEGAVSKE:

How many people will that cover?

MR. TORVINEN:

There are two auditors and other staff members who travel on behalf of the department when we attend meetings in Las Vegas.

Decision unit E-325 requests \$200,000 in General Funds each year of the biennium to support the 2-1-1 telephone system.

E-325 Services at Level Closest to People – Page DHHS DIRECTOR'S OFC-4

We have a separate tab in the budget overview ([Exhibit C](#)) for the 2-1-1 telephone system. The system is available to 99 percent of the residents in the State and operates Monday through Friday, 8 a.m. to midnight and 8 a.m. to 4 p.m. on weekends. This request for funding is intended to support the expansion of operating hours.

CHAIR CEGAVSKE:

How many hours do you estimate that will cover?

MR. TORVINEN:

The hours are expanded now. The problem is the program does not have enough money to maintain those hours in the future. This infusion of funding will allow that to take place.

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CHAIR CEGAVSKE:

This will not increase what you are presently doing.

MARY LIVERATTI (Deputy Director, Department of Health and Human Services):

We began a pilot program two months ago and started 8 a.m. to 4 p.m. service Saturdays and Sundays to learn how much call volume we have on the weekends. The Crisis Call Center answers those calls. We have been able to expand 2-1-1 due to cooperation between our northern and southern call centers. The southern Nevada Call Center handles all calls statewide from 8 a.m. to 4 p.m. on weekdays and the Crisis Call Center in the north picks up calls from 4 p.m. to midnight Monday through Friday. Late at night we do not receive as many calls as during the day; however, on Saturday and Sunday we are getting a number of calls. If you would like specific information, we can provide it to you and your staff.

CHAIR CEGAVSKE:

We would like a complete budget on this. We would also like information on the volunteers and training they receive.

KATHY JACOBS (Executive Director, Crisis Call Center, Reno):

The training program for 2-1-1 operators is similar to the training that crisis line volunteers receive, though not quite as in depth. When we receive suicidal callers on 2-1-1, we have the ability to transfer them to the crisis lines. Our training has been altered slightly to match Alliance of Information and Referral Systems (AIRS) standards which are the national certification standards for 2-1-1 information and referral. We plan to have two staff members from the north and two members from the south attending the AIRS conference this year to take certification exams. We can then move forward to certify the program as well.

The 2-1-1 program exceeded our expectations from the beginning. Part is due to extending the hours of operation. Our original projections for call volume were 25,000 calls in our first year and we have taken approximately 57,000 calls. It is something in which I am proud to be involved.

CHAIR CEGAVSKE:

Will we be able to see those numbers?

Ms. JACOBS:

Yes. I can run an analysis when I return to the office. The handout to replace the chart on page 37 ([Exhibit D](#)) has call volume figures. There is a difference in the charts due to changes in the data-collection system. We now have both northern and southern Nevada entering data into the same Web-based system to better track and analyze data.

I have also provided the Committee a Crisis Call Center brochure ([Exhibit E](#)).

Ms. LIVERATTI:

The replacement chart ([Exhibit D](#)) includes the January figures, where the chart on page 37 only goes through December.

SENATOR TITUS:

This program is a great example of public and private partnership. You have telephone companies working with nonprofit organizations and volunteers working with government agencies. A lot of people still do not know 2-1-1 exists. Is there any way to get the word out about this program?

MS. LIVERATTI:

We have not done a lot of marketing this first year as we feared our Call Centers would be overwhelmed. Starting this month, we are beginning a major marketing campaign to get the word out, including television, radio and print materials. I have one copy of a 2-1-1 rack card ([Exhibit F](#)) that we can pass around to Committee members.

I would like to thank Senator Titus and Assemblywoman Smith for their leadership during the last Legislative Session. They helped secure the \$200,000 in funding which we used to establish the 2-1-1 program.

ASSEMBLYMAN DENIS:

I want to add my thanks as well. This is a great program. As a bishop in my church, I often refer individuals who are having troubles to 2-1-1. It has been wonderful to have this resource.

ASSEMBLYWOMAN SMITH:

I know this has been a tremendous amount of work and coordination and I would like to thank everyone involved for their efforts in making this a success. Is this program active in Pershing County? Are they involved in the program, or were there just no calls?

MS. LIVERATTI:

We have implemented the program in many of the rural areas in the last few months. We initially concentrated our efforts on the major urban areas. At this time, we have about 99-percent coverage in the State. There are a few pockets in rural areas with small telephone companies, and we have to negotiate with each of them to gain service in those areas.

MS. JACOBS:

Pershing County has come online. If you look at the chart ([Exhibit D](#)), you will see a section labeled "Unidentified Location." Our operators initially missed recording the location in the data collection system. Through training, we have eliminated that problem.

ASSEMBLYWOMAN SMITH:

Will the additional funding ensure the program is available at every location in the State, or is it more a matter of needing time to implement the program?

MS. LIVERATTI:

It is our intention to achieve 100-percent coverage throughout the State. We also have 70-percent cellular-telephone coverage which is somewhat unique. Many states that have 2-1-1 have not been able to secure cellular-telephone coverage.

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ASSEMBLYWOMAN SMITH:

I think your success is attributable to the cooperation and partnering with the telephone companies.

KAREN BARSELL (CEO and President, United Way of Northern Nevada and the Sierra):

Page 35 of the budget overview shows a list of public and private partners who have provided outstanding support of the 2-1-1 program. This is an initial list; many others are participating. I would like to commend everyone who has been a part of making 2-1-1 a success.

Speaking on behalf of United Way in Nevada, I know our board cannot guarantee this funding indefinitely, so I hope the State of Nevada will step up support.

Nationally, as an increasing number of charities are relying upon 2-1-1, United Way of America has established 2-1-1 as a program we would like to see in every state. We have plans to implement 2-1-1 statewide systems in seven states throughout the nation.

The 2-1-1 system is important since 9-1-1 has become inundated with social service calls. Since the inception of 2-1-1 in Atlanta, Georgia, more than 200 centers have sprouted nationwide through the instigation of the local United Way.

We are planning a national-marketing campaign to begin next week on February 13, 2007.

MR. TORVINEN:

On page 5 of the budget overview, enhancement unit E-326 requests \$1 million each year for methamphetamine education. As the Governor's working group puts together a plan, we will have a better idea how this money will be spent.

E-326 Services at Level Closest to People – Page DHHS DIRECTOR'S OFC-5

CHAIR LESLIE:

I understand the members of the Governor's task force are to be appointed tomorrow. My concern is since this is the first budget reviewed, it will also be first to close. The task force is not due to report back until April 1, 2007, so we cannot keep the details for using the funding out there too long.

CHAIR CEGAVSKE:

We need to be sure the details are given to staff well before that deadline. Has a plan been developed yet?

MR. WILLDEN:

The plan will be developed by the work group, and we will make sure it comes to Committee as quickly as we can assist in that process.

MR. TORVINEN:

Decision unit E-450 is a request for a personnel officer to target the recruitment and retention effort statewide to assist in filling rural positions.

E-450 Effectiveness of Family Services – Page DHHS DIRECTOR'S OFC-5

CHAIR CEGAVSKE:

Is that the position you reclassified?

MR. TORVINEN:

No, it is not. We had a personnel officer III position reclassified as a deputy director of administrative services. This is a new position. If you refer to pages 20 and 21 of the budget overview ([Exhibit C](#)), there are lengthy descriptions of the duties and responsibilities for both positions.

CHAIR CEGAVSKE:

I am concerned why you need another personnel position when you reclassified the one you had last session.

MR. WILLDEN:

The personnel officer was reclassified to an unclassified deputy director during the last Legislative Session. That individual's role was expanded to include not only overall personnel issues, but also public information and legislative liaison efforts.

The new position we are requesting will focus solely on recruitment, retention, succession planning and the high-turnover positions as listed on page 19 of the budget overview. This position will also focus specifically on our rural needs.

CHAIR CEGAVSKE:

Is the Department of Personnel doing enough to retain and recruit to assist your Department?

MR. TORVINEN:

They do a lot to assist. They provide funds, but they do not have anyone dedicated to the Department of Health and Human Services. We have some of the most difficult positions to fill in State government.

CHAIR CEGAVSKE:

The universities are not graduating enough candidates to fill some of your positions.

MR. TORVINEN:

We are strategizing with the schools as to how they can help with our recruiting efforts.

ASSEMBLYWOMAN GANSERT:

You have twice the vacancy rate for the social worker III position as social worker II. Is that due to pay or location?

MR. WILLDEN:

It is largely because the social worker III position works in Child Protective Service which is a much more demanding skill set than some of the other social workers.

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CHAIR LESLIE:

My concern with this position is we are expanding the bureaucracy and creating another desk job. I think we need some creative efforts in filling these positions.

MR. TORVINEN:

We envision this person attending recruiting fairs, job fairs, traveling and developing job candidates from within rural communities. I view this as an on-the-road position trying to meet this Department's overall goals, not the Director's Office's goals.

CHAIR LESLIE:

Does that not fall under the Department of Personnel's responsibility?

MR. TORVINEN:

I have not seen that they can dedicate enough resources to ensure we have an adequate supply of candidates to fill these positions.

CHAIR LESLIE:

If we approve this position, we will have to combine recruitment with incentive pay. I doubt job fairs will fill these positions.

MR. TORVINEN:

The final item is a request for a supplemental appropriation of \$635,000 to complete the relocation of our office to the buildings on Technology Way.

CHAIR LESLIE:

Why is there still money in the Maximus projects account?

MR. TORVINEN:

We gave the people who had approval for sub-grant money until the end of fiscal year (FY) 2006-2007 to use that money. At this point, some have not.

CHAIR LESLIE:

Let me be clear, we are going to take that money if it is not spent. This cannot continue.

MR. WILLDEN:

I fully agree. I have made it clear the money will revert to the General Fund if it is not used for its intended purposes.

ASSEMBLYMAN DENIS:

Can you tell us who the entities are that have not drawn down their Maximus funds?

MR. TORVINEN:

We had a \$50,000 grant go to Reach Out and Read and they have not drawn any funding. Some money went to the batterers' treatment program, and they are having trouble getting started. We have not been able to get a sub-grant agreement with Nevada KIDS COUNT. We are also having trouble getting the Douglas County Suicide Prevention Network to draw their funds.

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CHAIR CEGAVSKE:

We have a total of \$288,411 in the account. Is that what you show?

MR. TORVINEN:

I show an unspent balance of \$269,492.04.

ASSEMBLYMAN DENIS:

Are they having problems due to lack of staff?

MR. TORVINEN:

Lack of focus would be the best description.

CHAIR CEGAVSKE:

The Maximus savings could be used to reduce the supplemental appropriation for the office relocation as well.

CHAIR LESLIE:

To follow up on the relocation, why is the cost for moving to your new leased space higher than expected?

MR. TORVINEN:

When the original estimate was developed, we did not have a good methodology for making that estimate. We came in at \$50 per square foot for each office we anticipated to be built.

CHAIR CEGAVSKE:

What is the amount you are expecting?

MR. TORVINEN:

I anticipate about \$813,000 for the tenant improvements. We were expecting the amount to be closer to \$500,000.

CHAIR CEGAVSKE:

How are we going to make up the extra \$300,000?

MR. TORVINEN:

We did not start paying rent until January 2007 when it was anticipated we would be paying rent in 2006. All the money calculated to pay rent can go toward the \$300,000. We have also had a few change orders coming in lower. Our moving estimate was also higher than what we expended. I do not have all the information to make the comparison.

CHAIR CEGAVSKE:

When will you have all the information?

MR. TORVINEN:

I have asked the landlord for that bill three times.

CHAIR CEGAVSKE:

Tell the landlord to get the bill in, or there will be a consequence. We need to know where the cost savings are within your Department to get the amount of that supplemental request as low as possible.

MR. TORVINEN:

Another area of savings was the unspent rent which was originally anticipated to be about \$300,000, and I think it will be substantially higher. With all factors coming together, I think the supplemental funds required will be considerably less than what I have requested.

On page 6 is the Developmental Disabilities budget which is the Base Budget. This is a combination of federal and General Funds with little change.

HHS - Developmental Disabilities – Budget Page DHHS DIRECTOR'S OFC-9
Budget Account 101-3154

CHAIR LESLIE:

Last Legislative Session we put the Interagency Transition Advisory Board into the Office of Disability Service; do you have any information on if the goals we set have been met?

MS. LIVERATTI:

We did not address that issue in the budget overview, but we can get that information to you.

CHAIR LESLIE:

A brief report would be good. What is the amount of the federal grant? There is some confusion about if it will be augmented in the next biennium.

MR. TORVINEN:

The adjusted Base Budget amount in that federal object code is what we anticipate for the grant. As we went through the Governor's recommended adjustments, some of the salary adjustments were posted to that federal line. After speaking with our financial officer, we learned it is common to balance forward some unspent federal authority from year to year. He is confident the amount in the Governor recommended budget will materialize, and be available for what has been budgeted.

CHAIR LESLIE:

We want to be certain we are not overmatching, so we will need the actual figures for 2006 and 2007.

CHAIR CEGAVSKE:

We will now review B/A 101-3266.

HHS - Community Based Services – Budget Page DHHS DIRECTOR'S OFC-13
Budget Account 101-3266

MR. TORVINEN:

This budget funds services for people with severe disabilities who are ineligible for services through public-entitlement programs or for whom services do not exist. This includes personal-assistance services, traumatic brain injury (TBI) rehabilitation, assistive-technology and independent-living services.

CHAIR CEGAVSKE:

The expenditures for these programs have increased dramatically. Has the cost of providing service increased?

MR. TORVINEN:

On page 31 of the budget overview ([Exhibit C](#)) is a graph of the caseload growth of personal-assistance services. Some are one-time rehabilitative services, and some are ongoing services. Personal-assistance services are an ongoing service. If we take a client, we serve that client until they move or leave the program. This is assistance with bathing, toileting and feeding for up to five hours a day. It allows people to stay at home and not be in an institution. The caseload chart shows a substantial climb in the number of people served.

CHAIR CEGAVSKE:

Can you tell us why it has increased?

MS. LIVERATTI:

Due to the U.S. Supreme Court's Olmstead decision, it is our standard to have no longer than a 90-day wait for services to our clients. We have projected serving an additional 32 people in 2008 and another 32 people in 2009 to provide services within a 90-day period.

CHAIR CEGAVSKE:

Do we know why the cost increased so much?

MS. LIVERATTI:

Where the cost increased was for the traumatic-brain-injury (TBI) cases. We took an average of the cost and projected about \$19,000 for each person under the TBI, and I think it is now \$32,000.

CHAIR CEGAVSKE:

Is this only adult care? What services are we providing for our youth?

MS. LIVERATTI:

Our personal-assistance services are for all ages. The TBI is only for adults. It is an adult-outpatient service. It is a limited program. We are only going to serve 50 people in 2008 and another 50 people in 2009.

CHAIR LESLIE:

I would like to ask a question about the Personal Assistance Services Program (PAS) before we move to TBI. The concern is the waiting list. When we give money each Session to reduce the waiting list and we return and see the waiting list is longer than before we allocated the money, we need to know why. The information we have is that the waiting list for PAS on March 31, 2005, was 38 people, and on December 31, 2006, the list was 74 people. Is it due to discovering more need now that there is more money? Why are there more people on the waiting list than before?

MS. LIVERATTI:

It is due to a combination of factors. As people learn there are services available, they want to know if they can receive those services. In addition, we have little turnover. These clients have physical disabilities, and once they are

on the program, it is unlikely they will leave. The TBI program is more of a one-time service. They may get service for six or eight months before they reach a stage of rehabilitation when they can leave the program.

CHAIR LESLIE:

Have the 74 people on the waiting list been deemed to be eligible? Do you reevaluate the waiting list every three months to ensure those people are still in need?

MS. LIVERATTI:

Yes. We are in constant contact with the people on our waiting list. We try to refer them to other services if we can.

CHAIR LESLIE:

If we approve this during this Session and you come back two years from now, will the waiting list be doubled? Is this something that will be recurring? It is discouraging to think we are reducing the waiting list when we may be doing the opposite.

MS. LIVERATTI:

It is not the same people waiting all the time; new people are becoming disabled. Our goal is to ensure no one waits more than three months to receive services.

MR. WILLDEN:

When you look at our population growth and our subpopulation growth of senior citizens and people with disabilities, we may never reach a plateau in the number of people who need these services. Our statistics show we will continue to grow as a State, and our need for these services will continue to grow as well.

CHAIR LESLIE:

It seems, as services become available, word spreads.

CHAIR CEGAVSKE:

I believe we have public testimony about the TBI program.

ROBERT T. HOGAN, M.S. (Program Director, Nevada Community Enrichment Program):

People are discharged from hospitals much earlier than in the past, so those we serve are more medically involved than they once were. They are in the program longer, usually about six months. We could triple our funding from the State and still not be able to serve all of the TBI patients. We have many patients living in assisted-care facilities who could be living on their own if they had access to help and rehabilitation.

RHONDELLE A. BLANKENSHIP:

My daughter was 19 years old when she sustained a brain-stem injury. We had private insurance and they would not cover inpatient rehabilitation. Thankfully, she qualified for Medicaid. We appealed for over 18 months to get her into a Medicaid funded program. She qualified for one month and was no longer

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eligible. Due to State funding, she was able to stay for an additional six months and she is now living on her own.

I cannot emphasize enough to you the positive impact this program has had on my daughter's life.

MR. TORVINEN:

Page 30 of the budget overview is a comprehensive list of services provided through this budget. It describes onetime and ongoing services and the TBI services for which costs have increased substantially over the biennium.

Decision unit M-541 provides technical assistance and training to agencies offering positive-behavioral support (PBS). This program was one of the recommendations from the Legislative Committee on Persons with Disabilities.

M-541 Mandates - Olmstead – Page DHHS DIRECTOR'S OFC-16

CHAIR CEGAUSKE:

Why would we not appropriate the funding directly to the University of Nevada, Reno (UNR) rather than having your agency distribute it to them?

MS. LIVERATTI:

This is a partnership between our Division of Mental Health and Developmental Services and the UNR. Since it is a partnership between those two entities, the funding comes through us and we act as a neutral party. Our Strategic Plan Accountability Committee wants a neutral party to oversee and monitor where the funding is spent. It is their recommendation the funds come through our budget.

CHAIR LESLIE:

Was Nevada one of the states to apply for funding from the Money Follows the Person Rebalancing Demonstration project grants?

MR. TORVINEN:

The Money Follows the Person grant has expired. I think there is some confusion due to the expenditure category of our budget listing Money Follows the Person. Funding for PBS is in that category.

CHAIR LESLIE:

I understand there was a second round of funding for Money Follows the Person from the federal government. Did we apply for that? If not, why not?

MS. LIVERATTI:

There was a second round of federal funding. Due to our lack of grant-writing resources, we did not apply. An additional caveat was the grant money would be provided to start the program, but the State would have to pick up the ongoing costs once the grant ended. We did not have enough time to analyze whether or not we could commit to that.

CHAIR LESLIE:

The Fund for a Healthy Nevada also funds the PBS program. What you are asking for in this budget is additional money above and beyond that. I know

their grant cycle is different than our budget cycle which makes things awkward. Can you comment on that?

MS. LIVERATTI:

The statute for the Fund for a Healthy Nevada states a certain portion of money will go to three areas; respiratory care, positive-behavioral support and independent living. They get money for PBS, but it has not met the demand. The committee decided to try to get General Funds to provide more services. This is a statewide service and they have not been able to meet the demand in southern Nevada. The intent of this money is to ensure a larger presence there.

CHAIR CEGAVSKE:

The Independent Living Services Program, described in M-542, shows a waiting list increase and about a 35-percent increase in the cost.

M-542 Mandates - Olmstead – Page DHHS DIRECTOR'S OFC-16

MS. LIVERATTI:

Independent Living Services represents a wide range of services. There are services such as vehicle and home modifications which can include vehicle-wheelchair lifts and home renovations to provide access to bathrooms. The cost varies depending on the needs of the person.

CHAIR CEGAVSKE:

Part of our frustration is we approved funding believing the waiting list would decrease and it has again increased. Have we achieved a 90-day waiting list goal? What is the current average time on the waiting list?

MS. LIVERATTI:

We have not achieved the 90-day wait. Currently, there is an 11- to 12-month wait for people to receive services. This is another example of more people being referred to the program as they learn these services are available.

CHAIR CEGAVSKE:

Are you saying the equipment and specific area of need is the reason for the increase in cost?

MS. LIVERATTI:

We go with an average cost when calculating our budget requirements.

CHAIR CEGAVSKE:

We see a 35-percent increase for each case, so it is puzzling why it would be so high.

MS. LIVERATTI:

We are getting users who have more severe disabilities, and the cost for each person has increased. Construction costs have also risen significantly.

MR. WILLDEN:

We have had discussions about the costs which can be attributed to waiting list and caseload. We will need to morph to caseload as a measurement rather than waiting list. We will have to move from describing things as waiting lists, as the

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waiting list will always be there. We will never pull the waiting list down to zero. As a budgetary process, we will need to build in caseload growth each biennium.

CHAIR CEGAVSKE:

Please work with staff on this issue. We want accurate information as to where the costs are.

The next item is the position you are requesting. What is an acceptable caseload for a full-time position in the office?

MS. LIVERATTI:

At this time, we have only one person who oversees the 184 people served by the Independent Living Services during the last year. We would like to have an additional person assist, as we expand, to provide better quality assurance.

CHAIR CEGAVSKE:

Have you considered contracting out this new position?

MS. LIVERATTI:

We have some contracted people, both north and south, that oversee the daily operations. The new position is for statewide management of the program.

CHAIR CEGAVSKE:

We will review E-325.

E-325 Services at Level Closest to People – Page DHHS DIRECTOR'S OFC-17

MR. TORVINEN:

Decision unit E-325 is totally funded with surcharge funds. It is to provide an online registry for people to find interpreters and real-time captioning services.

CHAIR CEGAVSKE:

Is the Public Utilities Commission (PUC) aware of that? Have you informed them?

MR. TORVINEN:

I am sure they are. Anything they fund, they are aware of, and we put forth a budget proposal to them every year.

BETTY HAMMOND, M.S.W., C.R.C. (Social Services Specialist, Office of Disability Services, Department of Health and Human Services):

Our budget is due to the PUC on February 15. They are aware of the need in the community to have such a registry. It should not impact the surcharge, as there is some surplus.

CHAIR CEGAVSKE:

Do we need to reduce the surcharge?

MS. HAMMOND:

The surcharge is currently 3 cents per line and it is not anticipated to increase or have any impact fiscally.

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CHAIR CEGAVSKE:

We will now review decision unit E-326.

E-326 Services at Level Closest to People – Page DHHS DIRECTOR'S OFC-17

MR. TORVINEN:

Decision unit E-326 is the Strategic Plan Advisory Committee funding for travel and meeting costs.

CHAIR CEGAVSKE:

Do we still need this committee?

MR. TORVINEN:

Yes. It is by executive order these advisory committees were created. The full intention is to ensure the strategic plan is not ignored.

CHAIR CEGAVSKE:

Are there any funding sources we can look to other than General Fund?

MR. TORVINEN:

In the past, we have funded this with a small Olmstead grant. If we secure that grant again, we will earmark it for this decision unit.

CHAIR CEGAVSKE:

Decision unit E-710 relates to computer and a laptop.

E-710 Replacement Equipment – Page DHHS DIRECTOR'S OFC-18

MR. TORVINEN:

This is a basic replacement based upon the Department of Information Technology replacement schedule.

SENATOR MATHEWS:

When we have future hearings concerning disability, particularly for the deaf, can we make arrangements for someone to interpret for them?

CHAIR CEGAVSKE:

Yes. That is usually requested.

SENATOR MATHEWS:

This Committee deems they are here, so when we have hearings for that particular group, I am suggesting we have someone here to interpret for them.

CHAIR CEGAVSKE:

We will now review B/A 101-3261, the Healthy Nevada Fund.

HHS - Healthy Nevada Fund – Budget Page DHHS DIRECTOR'S OFC-21
Budget Account 262-3261

MR. TORVINEN:

This is the account in which the Department receives its share of tobacco-settlement funds. This budget account receives funds for the Senior Rx

and Disability Rx prescription programs and for funding utilized for the Healthy Nevada program.

One of our major challenges this year, in the Senior Rx program, was the implementation of Medicare Part D.

CHAIR CEGAVSKE:

How is the implementation of Medicare Part D doing?

MR. TORVINEN:

We are making progress. On page 39 of the budget overview ([Exhibit C](#)) is a graph of the per-member per-month (PMPM) prescription cost in this biennium. With the implementation of Part D, we have four member groups. We have the Senior Rx traditional, Senior Rx Medicare eligible, Disability traditional and Disability Medicare eligible. The traditional groups are not Medicare eligible. The graph on page 39 displays the dollars spent PMPM. As you can see, when we implemented Part D, the cost decreased for the traditional group of Senior Rx members as members moved to the Part D program. The Senior Rx portion of the graph is gaining stability, but the Disability Rx program is all over the chart.

CHAIR CEGAVSKE:

Is it due to data problems?

MR. TORVINEN:

Most of the concern with the data is on the federal level. On page 9 you will see four overriding factors in implementing Medicare Part D that used a disproportionate amount of staff time. One addressed problems with inaccurate data supplied by the Centers for Medicare and Medicaid Services (CMS). We could not get information that agreed with our data, so it became difficult to pay the plans our members were entering.

The second item involved entering into contracts with drug plans for our members to be able to join. If we did not have those contracts, we would not be able to pay the benefits or premiums to those drug plans. Once we got people into the drug plans, we had difficulty matching billing information between our records and CMS's records. The reconciliation process consumes a great deal of time, and we cannot pay the bill until reconciliation is complete.

This is why we need another accounting position in this budget. It is primarily to go through that reconciliation process with the 25 different drug plans every month.

The staff has also spent time advocating for members. As problems occurred, they would go to the pharmacy and present information. We just wanted to get the medications into the hands of the seniors.

CHAIR CEGAVSKE:

Someone is doing something right, as I have been receiving calls from my constituents who had positive comments about Medicare Part D.

MR. TORVINEN:

I think it has smoothed out. Our biggest issue is getting reconciled with all drug plans so we can be sure we are paying the appropriate amount for our members.

CHAIR LESLIE:

Do we have figures in the budget that reflect the reduction in Senior Rx due to the Medicare Part D program?

MR. TORVINEN:

In August, just before the budgets were due to the Budget Office, this was still ongoing. The numbers were all over the place and we could not see any trends. We had to get something into the budget, so we took the drug cost information we had at the time and applied the medication inflation rates we were using in Medicaid.

CHAIR LESLIE:

Does that include utilization as well?

MR. TORVINEN:

No. It is only drug inflation. We took the number of people we had in each of the four groups and applied the demographer's estimate of growth to each population group. This is how we created a caseload growth estimate. We then took the caseload growth and the medication-inflation-growth estimates and applied them to our budget.

The tobacco revenue for the next few years was calculated into the budget and we supplemented with General Funds to balance our estimated expenditures. Most of the General Funds come in the second year of the biennium. Now that we have collected and reviewed another six months of data, we are not seeing the expenditure trends to support what we have in the budget. We anticipated reaching this point and reevaluating the data.

CHAIR LESLIE:

Have you taken into account the expected reduction in tobacco funds?

MR. TORVINEN:

Yes.

MR. WILLDEN:

In analyzing the information, which we have to date, we are under spending the tobacco funds that have been earmarked for the Senior Rx program. We need to determine how much money to hold back, in lieu of the declining tobacco funds, so we can perpetually fund this program. We have statutory authority to start additional programs for seniors and have added a diabetes management component to our service. I believe we can move toward senior-dental and senior-vision programs.

CHAIR LESLIE:

Are we anticipating continuing to fund dual-eligible people in this program? Is that in the budget?

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MR. TORVINEN:

Yes, it is. There is about \$221,000 in the Base Budget for dual-eligible recipients.

CHAIR LESLIE:

I will leave Mr. Combs of the Fiscal Division the task of getting the details, but overall I think this is a good report. I think we all want to provide more services to the disabled and senior communities.

ASSEMBLYWOMAN WEBER:

The budget indicates there are 113 people enrolled in Disability Rx through 2006, and, as we go forward, the projected number is in the 400 range. How do people learn about this program? In what ways is the information made public?

MS. LIVERATTI:

We initially got the information out by contacting disability groups and other service providers.

LAURIE OLSON (Program Manager, Senior Rx/Disability Rx, Department of Health and Human Services):

We get referrals from 1-800-MEDICARE for Medicare-eligible people who are seeking ways to fill the coverage gap in Part D. We are listed on the Medicare Website, and get referrals from there. We reach people directly through their Medicare plans. We also have referrals from the State Health Insurance Assistance Program (SHIP). As this year progresses, we intend to continue to enhance those efforts.

We need to become more creative in reaching the non-Medicare-eligible people in the Senior Rx and Disabled Rx traditional groups as they do not use any Medicare resources I just mentioned.

ASSEMBLYWOMAN WEBER:

Is that information available through links on our State Website?

LAURIE OLSON:

Yes, it is.

ASSEMBLYWOMAN GANSERT:

How much are we under spending on the tobacco funds? What is the inter-fund transfer amount?

MR. TORVINEN:

The inter-fund transfer is money that will transfer into the grants management unit for grant programs in the Fund for a Healthy Nevada account.

ASSEMBLYWOMAN GANSERT:

How much are we under spending?

MR. WILLDEN:

Staff estimates we will spend \$3 million to \$3.5 million dollars this fiscal year for all Senior Rx components, and the budgeted line item was \$9.6 million.

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ASSEMBLYWOMAN GANSERT:

Do we hold that money in a trust account?

MR. WILLDEN:

We hold that money. Statutorily, certain percentages must be spent on certain things. Unless the statute is changed, that amount of money is earmarked for the Senior Rx and Disability Rx programs each year.

ASSEMBLYWOMAN GANSERT:

Do we have a balance of inlaid funds over the years?

MR. TORVINEN:

This is a budget account within the tobacco fund, and it reverts back to that fund level which is managed by the Office of the State Treasurer. They maintain a record which they reconcile with your staff on an annual basis.

CHAIR CEGAUSKE:

Did you use the Express Scripts inflation rates in indexing for the Senior Rx and Disability Rx programs? Did you also use those inflation costs throughout the *Executive Budget*?

M-101 Inflation - Agency Specific – Page DHHS DIRECTOR'S OFC-22

MR. TORVINEN:

My recollection is we used the Express Scripts recommendations, and we used them across the Department consistently throughout the budget.

CHAIR CEGAUSKE:

Did you use the rates for both the drug costs and the changes in the drug utilization?

MR. TORVINEN:

We did not try to account for utilization in this particular budget.

MR. WILLDEN:

There was a great deal of discussion between our offices and Mr. Clinger in the Budget Division, and there was a lot of debate over which inflation rate to use. The intent was that all agencies use inflation rates of 7.25 percent for 2008 and 7.75 percent for 2009.

CHAIR CEGAUSKE:

Did you provide an update to current enrollments for Senior Rx and Disability Rx programs?

E-401 Access to Health Care and Health Insurance – Page DHHS DIRECTOR'S
OFC-25

MR. TORVINEN:

We do not specifically have that in the budget overview, but we can get that information to you.

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CHAIR CEGAVSKE:

We will now review decision unit E-253.

E-253 Working Environment and Wage – Page DHHS DIRECTOR'S OFC-24

MR. TORVINEN:

This decision unit requests an accounting assistant to perform the monthly reconciliation of bills from the various drug plans with which we enter into contracts. This gives our members a choice of drug plans in which to participate. We have had problems reconciling our member records with the bills we receive.

CHAIR CEGAVSKE:

Please provide the Committee additional detail to justify this new position.

MR. TORVINEN:

We will be happy to do that.

CHAIR LESLIE:

Does it make sense to fund positions outside of the administrative cap in an effort to avoid exceeding the cap?

MR. WILLDEN:

We are struggling with the administrative caps. We cannot do the work we believe is expected of us on the amount of money generated under the administrative caps. A policy decision must be made either directing my staff to spend less time on accountability and evaluations to stay under the cap, raising the administrative cap, or continuing to fill the gap with General Funds. My position is grants should pay for themselves.

CHAIR CEGAVSKE:

Who is currently performing the duties required of the new position?

MR. WILLDEN:

The program manager is performing the duties.

CHAIR LESLIE:

If the cap is the problem, we need to fix the problem.

MR. WILLDEN:

We have a couple of bill draft requests (BDR) in committee to fix the problem. We believe caps should be raised in several programs.

CHAIR LESLIE:

We need to come to an agreement. We seem to be running into this problem more often, and we need to fix what is not working.

CHAIR CEGAVSKE:

We will now review budget account 101-3241.

HHS - BCBS Settlement – Budget Page DHHS DIRECTOR'S OFC-28
Budget Account 101-3241

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MR. TORVINEN:

This was a settlement from five years ago in which we receive \$150,000 each year from Blue Cross and Blue Shield. We received our final check, which was earmarked for the Nevada Check Up program, and that will no longer happen. Nevada Check Up will no longer receive \$150,000 each year from this account and that will be addressed in the Check Up budget.

CHAIR CEGAUSKE:

We will now review Grants Management, B/A 101-3195.

HHS - Grants Management – Budget Page DHHS DIRECTOR'S OFC-29
Budget Account 101-3195

MR. TORVINEN:

The legislation enacted to create the Problem Gambling Program included a sunset provision for the funding of the program effective June 30, 2007, so we have created decision units to reestablish that funding.

E-325 Services at Level Closest to People – Page DHHS DIRECTOR'S OFC-33

CHAIR CEGAUSKE:

Can you address why administrative costs for the program exceeded the amount projected in the fiscal note for S.B. No. 357 of the 73rd Session by 153 percent?

MR. TORVINEN:

We did a fiscal note that estimated around \$25,000 to \$30,000 would be needed for administering the program. I underestimated the amount of work and effort required to get the program underway. Luckily, we had some money left in the budget to fund the process.

CHAIR CEGAUSKE:

According to how the bill was written, that money was not meant to be spent. Can you tell us why the administrative costs for the program have risen, and about the new position you are requesting? The start-up activities for the program were accomplished with existing staff. Based on the comments you just made, you may want to confer with staff and reconsider.

E-225 Eliminate Duplicate Effort – Page DHHS DIRECTOR'S OFC-32

MR. TORVINEN:

I think we are good with our proposal. We still need a full-time staff person dedicated to that committee. Our program director, Ms. Laura Hale, did it last time. She has been spread thin and is not available to spend time on supporting the task force efforts due to the allocation of costs among the various programs. We have proposed the continuation of that \$100,000 to fund the administrative portion of this program and requested an increase of the administrative percentage from 1 percent to 5 percent. Our understanding of the legislation was it would be a contribution on the State's part over and above the slot-tax revenue.

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CHAIR CEGAVSKE:

The 5-percent figure does not appear to be reasonable.

MR. TORVINEN:

When we added the administrative costs of those two decision units together, it was a little less than 10 percent of the projected slot-tax revenue.

CHAIR CEGAVSKE:

I would like to direct you to revisit that with our Fiscal staff.

CHAIR LESLIE:

We have the closing document that clearly says our Subcommittee recommended authorizing Fiscal staff to reduce the appropriation from \$100,000 in each year to the administrative costs identified by the Department if the bill is enacted. It was clear from our perspective.

SENATOR TITUS:

When we approved this, the notion was the gaming industry was going to pay for the Problem Gambling Program. Why are you now requesting General Fund money in addition to the slot-tax funds?

MR. TORVINEN:

What we proposed was the continuation of that \$100,000 each year. If we had not used that \$100,000 to get the program running, we would have been searching for some remedy at the Interim Finance Committee. We have a cost-allocation process in this budget to charge the actual efforts of staff to the funding source on which we are working. This is what our staff had to do to get this program running.

SENATOR TITUS:

Now that the program is up and running, can we not go back to the original intent of limiting the program to the amount that comes from the slot tax?

MR. TORVINEN:

There will still be some ongoing need for staff to manage the Problem Gambling Advisory Committee and help them establish meetings and agendas. They have issued grants to a substantial number of grantees, so monitoring the activities of those grantees has to take place and we need staff to do that.

SENATOR TITUS:

Can that come out of that slot-tax money?

MR. TORVINEN:

Not at the 1-percent rate. It could if we adjust the administrative cap. We have recommended up to 5 percent, but that was based on the understanding we would carryforward the \$100,000 each year of General Funds. If we do not commit the General Fund, we will need about 10 percent of the slot-tax revenue.

SENATOR TITUS:

Why will you need 10 percent as opposed to the 5 percent like some other programs?

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MR. TORVINEN:

It works out to 8.5 percent the first year and 9.4 percent the second year.

SENATOR TITUS:

What are some of these programs doing?

MR. TORVINEN:

Page 42 of the budget overview shows where some of the money has been granted. We have nine grantees doing treatment, five grantees in prevention education and awareness, three grantees in research and evaluation and five grantees doing workforce development. Some of the money has been awarded to increase the number of problem-gambling counselors.

SENATOR TITUS:

Is there any accountability in these programs? What are the success rates?

LAURA HALE (Chief, Grants Management Unit/Department of Health and Human Services):

We require regular progress reports and have open meetings with our advisory committee. We have an annual report and are developing surveys to measure the impact of treatment. We have reported the outputs of our efforts to you. The outcome, measuring the impact of treatment and prevention, will take longer. We should have some of that data by March 2007.

CHAIR CEGAUSKE:

Moving on to the funding of the Family Resource Centers (FRC) to assist with child welfare cases, what are the FRCs going to do to assist with child welfare issues?

E-326 Services at Level Closest to People – Page DHHS DIRECTOR'S OFC-33

MR. WILLDEN:

Many of you have followed the issue of the high percentage of children who have been picked up in Las Vegas, many believe inappropriately, and delivered to Child Haven. There is a three- to five-day stay in Child Haven and the child is returned home. That begs the question, why are they being picked up and taken to Child Haven, then reintegrated back into the home? The way this is being addressed, nationally, is through something called Differential Response or Alternative Response programs. The idea is to find community-based organizations to provide this differential or alternative response, and, in our case, we feel the FRCs are the best solution for Nevada.

Rather than have Child Protective Service (CPS) involvement in a case, the FRC will work with these families on the lower-level social issues. Through this funding, we will add one or two specialized workers to each of the FRCs who take referrals and work with the families. This eliminates CPS involvement.

CHAIR CEGAUSKE:

Does the funding include funds for training employees?

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MR. WILLDEN:

Yes. We have an advisory group working on this and sent a group to San Diego for training. The staff attended the academy Child Welfare workers go to for training.

CHAIR CEGAVSKE:

Is there a training standard or certification that must be met?

MS. HALE:

We have criteria for the four staff members in Las Vegas who have already started in our pilot program. We hired people with a background in social work and put them through training at the academy. Our standard will be that employees have that sort of background and complete the academy training.

CHAIR CEGAVSKE:

Is that a national standard, State standard, or what the Department developed?

MS. HALE:

At this point, it is what we developed.

CHAIR LESLIE:

How are you paying for those four child welfare positions in southern Nevada?

MS. HALE:

We utilized funds from several sources, including federal child-abuse prevention funds, remaining funds from some of our grant programs and some federal community services-block-grant dollars. It is a patchwork.

CHAIR LESLIE:

Do you have a report on the effectiveness of the program?

MS. HALE:

We just started the training last fall. The service will be implemented this month.

ASSEMBLYMAN JOHN C. CARPENTER (Assembly District No. 33):

I have discussed this situation with people in Elko and believe they can perform these duties, but we want to ensure they have the resources and personnel to do it. I think it would help the Division of Child and Family Services (DCFS) if they did not have to go through all of the steps they currently do if the FRCs can provide service instead. Our FRC in Elko provides services from Jackpot to Wendover and all the way down to Ely. We need to understand the FRCs must have the personnel and training before they take on this added responsibility. The FRCs have not had any increase in State funding for many years.

From what I see, the FRCs do a great job helping families and individuals. They are able to make a difference that some welfare agencies, in the past, have not been able to accomplish. I am here on behalf of the FRCs in the hope they will receive the needed funding.

CHAIR CEGAVSKE:

It is always a pleasure to hear from you, Assemblyman Carpenter. Thank you for your comments.

CHAIR LESLIE:

The Department had an enhancement unit that did not make it into the budget which would have added funds to the FRCs.

MR. WILLDEN:

The FRCs were created in the mid-1990s and have been flat funded for ten years. They have not had a cost-of-living increase or any new funding whatsoever. As we developed the budget, we considered whether we could enhance the basic funding going to the program.

There is a request being discussed for about \$650,000 to be used as a catch-up provision to compensate for the last ten years of flat funding. That would go toward all of the basic things the FRCs are doing by statute. Additionally, there was a discussion to add the responsibility of Differential Response, and that cost is roughly \$2 million. Although the \$2 million is in the budget, the \$650,000 never made it.

CHAIR LESLIE:

My concern is whether or not the FRCs are ready to assume this added responsibility when their administrative structure is somewhat unstable due to attempting to keep up with demands for service.

We are placing a new and difficult demand on the FRCs, one that I think they are uniquely capable of fulfilling. I am concerned about adding more responsibility to their program and not funding it sufficiently.

I would be interested in getting the details of that enhancement unit so we can consider it.

MR. WILLDEN:

We will be happy to provide the details and funding streams for all of the FRCs.

ASSEMBLYWOMAN SMITH:

I concur with the value of the FRCs. The center in my district had to cut back on hours of operation due to lack of funding. The other concern with FRCs is they must rely heavily on grant funding and that causes instability. Something to consider is linking the FRCs with the 2-1-1 system.

CHAIR CEGAVSKE:

Are you exceeding the administrative cap on the funds transferred from the Fund for Healthy Nevada? Do you have a backup plan if we do not approve increases in the administrative cap?

MR. TORVINEN:

It is likely we did slip over that amount. We will go through it with staff to see where we can make adjustments to come into compliance with the cap. We have a BDR to raise most of those caps as high as 5 percent. I want to assure

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you that what we put forth as expenditures are what we consider to be reasonable estimates of what it will take to staff these committees.

CHAIR CEGAVSKE:
We will now review B/A 101-3201.

HHS - Children's Trust Account – Budget Page DHHS DIRECTOR'S OFC-38
Budget Account 101-3201

MR. TORVINEN:
This budget account receives fees from birth and death certificates earmarked for child-abuse services. We have reduced the reserve amount of this account to \$300,000 and earmarked the remainder for services throughout the biennium. We should finish each year with about \$300,000 in the account which will allow us to start operating immediately in the next fiscal year. We will use the birth and death certificate fees as we accrue them.

CHAIR LESLIE:
Is the \$300,000 you are referencing to be used as the reserve?

MR. TORVINEN:
Yes. We want to end up with about \$300,000 in the bank at the end of every year and utilize the rest of the resources.

CHAIR LESLIE:
That is about 38 percent of the entire account. It seems high. Why do you need such a large reserve? Is it a cash-flow issue? We would rather see that money being spent on child-abuse prevention.

MR. TORVINEN:
We can do another analysis on the cash flow, but that is the issue. We need money in the account on July 1 each year to operate the program.

CHAIR LESLIE:
I understand that, but are the payments coming in late from Washoe and Clark Counties?

MR. TORVINEN:
The payments come in through the Health Division as they issue the birth and death certificates and collect the fees. The funds come in haphazardly.

CHAIR LESLIE:
We need to find a better way to receive those funds. With all of the concern about child abuse, especially in Clark County, we would like to see that money being used.

CHAIR CEGAVSKE:
There is not much to discuss in B/A 101-3200. Would you please go through it with us?

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HHS - Directors Office - Problem Gambling – Budget Page DHHS DIRECTOR'S
OFC-40
Budget Account 101-3200

MR. TORVINEN:

This budget account receives the transfer of slot-tax revenues for the Problem Gambling Program. We transfer the administrative portion of that into B/A 101-3195. We pay the grantees directly from B/A 101-3200.

CHAIR CEGAVSKE:

There has been a noted decrease in slot revenues due to the passage of the smoking initiative. Have you accounted for that in your budget?

MR. WILLDEN:

We do not receive a percentage of receipts; we get a \$2-per-device flat rate.

CHAIR CEGAVSKE:

It does not matter if revenues increase or decrease?

MR. WILLDEN:

If the number of devices decreases, we will be affected. Our figures come from the State Gaming Control Board.

CHAIR CEGAVSKE:

You need to be aware that the number of devices may decrease along with decreased revenues.

CHAIR CEGAVSKE:

Now we will review the Public Defender budget.

PUBLIC DEFENDER

HHS - Public Defender – Budget Page PUBLIC DEFENDER-1 (Volume II)
Budget Account 101-1499

MR. TORVINEN:

This budget funds the Office of the State Public Defender and they represent indigent adults and juveniles accused of committing crimes in rural areas of Nevada or any of Nevada's prisons. The office handles appeals for denial of post-conviction habeas corpus petitions for State prison inmates accused of a crime.

You may recall, in the 73rd Legislative Session, we had some issues with the funding mix which we have fixed in accordance with the Letter of Intent. We have based it on a five-year average of the hours spent on county cases versus State cases. The figure comes to about 21-percent State funding and 79-percent county funding. That is with the exception of the post-conviction relief that is, by statute, funded with 100-percent General Funds.

CHAIR CEGAVSKE:

There was some concern about Carson City deciding it will no longer need the services of the Office.

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MR. TORVINEN:

Statutorily, the counties have until March 1, 2007, to notify us whether they want to participate in our services or not. We have a meeting set with the county manager, but it is not until next week.

STEVEN G. MCGUIRE (State Public Defender, Office of the State Public Defender):
Given the increase they have seen in their allocation of fees, I think all of the counties are considering their options. I do not know that any of them have made a decision yet.

CHAIR CEGAVSKE:

What was the increase in fees charged to the counties?

MR. MCGUIRE:

The increase went from a General Fund allocation of about 43 percent to 20 percent, and, correspondingly about 57 percent to about 80 percent county funds.

CHAIR CEGAVSKE:

We will next review decision unit E-251, the new investigator position.

E-251 Working Environment and Wage – Page PUBLIC DEFENDER-3

CHAIR LESLIE:

There is some concern whether or not White Pine County will be able to pick up the cost of that new position.

MR. MCGUIRE:

The way we allocate our cost among the counties is to track our attorney hours and charge the counties their share of the cost proportionate to attorney hours used. We do not track investigator or secretarial support separately as there is a proportional amount of support service.

While this investigator would be stationed in White Pine County and would serve the Seventh Judicial District, including Lincoln and Eureka Counties, the position would not be entirely assigned to those counties. Those counties are currently receiving services from our two investigators in Carson City. The new position would provide the counties with a better level of service and relieve our investigators assigned in Carson City.

CHAIR LESLIE:

What percentage of the cost of this position do you anticipate White Pine County would have to pay? Have you discussed this with the commissioners?

MR. MCGUIRE:

The cost of the investigator would be reflected in our overall budget. Their future cost would be based on the caseload they have. This will not disproportionately affect White Pine County.

CHAIR LESLIE:

White Pine County is not in a good fiscal position, and I want to be sure we are not adding to their burden.

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CHAIR CEGAVSKE:

We have our last decision unit, E-325. Is this the annual Trial Practice Institute training your employees attend?

E-325 Services at Level Closest to People – Page PUBLIC DEFENDER-4

MR. MCGUIRE:

The training is a one- or two-week trial seminar to which we send our new attorneys. This seminar is typically attended once in a career and we generally send our new attorneys during the second year of their career with the Department.

We also have a 12-hour compulsory legal education requirement for all of our attorneys, and much of that is done through local seminars, audio and video tapes.

CHAIR CEGAVSKE:

The information provided by staff indicates you want to apply for grant funding for the costs of creating a Public Defender Commission.

MR. MCGUIRE:

Yes. We need an overview of indigent criminal defense in rural Nevada. We had a statewide study of rural-public defending by the Spangenberg Group, done five years ago, whose recommendations have never been incorporated. There needs to be some strategic thinking about what we are doing and how we are going to do it. We do not have the resources, and people would be more comfortable if it were done by a neutral forum.

CHAIR CEGAVSKE:

The Spangenberg audit was done in 2004, and the recommendation is just coming before us now. Do you think we should reevaluate that decision?

MR. MCGUIRE:

It is something that needs to be done, but I do not think it is something our agency can do. We should reevaluate our agency's involvement and if the legislature wants to have it done, they should look at something independent of our agency.

CHAIR CEGAVSKE:

You can work with staff on that. Our concern is the length of time since those recommendations were made and if they were still viable.

MR. MCGUIRE:

It has not been possible for it to be as high a priority as it should be. I think it is something we need to do.

CHAIR CEGAVSKE:

Is there anyone who would like to give public testimony?

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JACK MAYES (Executive Director, Nevada Disability Advocacy & Law Center):
I am the new Chairman of the Strategic Plan Accountability Committee (SPAC). We will be bringing forth aspects of the SPAC recommendations. The priorities from SPAC are an increase in TBI services, PBS and the 2-1-1 program.

The reason SPAC is relevant is we are in the middle of a ten-year plan. I would hate to see this plan go unimplemented. It makes a tremendous impact for those members of the community with disabilities and I hope we can continue with it. If you look at the United States Supreme Court decision, this is how the State protects itself from Olmstead litigation cases which have occurred in several other states.

Before SPAC was put into place, there was no focal point where people with disabilities could share their concerns. The strategic plan helps prioritize the needs of different community groups.

DON JACKSON, PH.D. (Project Director, Positive Behavior Support-Nevada):
Behavioral problems are the primary reason people fail in community settings. Positive Behavior Support-Nevada (PBS) is mandated by statute in A.B. No. 280 of the 70th Session, and requires all agencies to use PBS strategies. The SPAC has PBS as a priority intervention process to be used for assisting in their goals. The proposed funding for PBS through the General Fund is one of six priorities for budget initiatives that SPAC has proposed.

There are specific objectives within SPAC's recommendations from Nevada's Strategic Plan for People with Disabilities that directly address the issue of PBS being available to ensure individuals do not require restrictive institutional placement. The PBS is recognized as an effective procedure for addressing problem behaviors. The reason for funding through the DHHS director's office is to provide a statewide focus. It also allows us to address the issues of behavioral problems and community placements for people in a variety of areas served under the DHHS.

The PBS is a technical support group to provide training to teams of people who support individuals with disabilities including parents, teachers and service coordinators to ensure they can implement a behavioral support plan.

CHAIR LESLIE:
Please provide some of this information in writing.

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There being no further business before the Committee, the meeting was adjourned at 10:45 a.m.

RESPECTFULLY SUBMITTED:

Michael Bohling,
Committee Secretary

APPROVED BY:

Senator Barbara K. Cegavske, Chair

DATE: _____

Assemblywoman Sheila Leslie, Chair

DATE: _____