

**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  
May 10, 2007**

The Joint 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 8:11 a.m. on Thursday, May 10, 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 William J. Raggio  
Senator Dina Titus  
Senator Bernice Mathews

**ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:**

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

**STAFF MEMBERS PRESENT:**

Steven J. Abba, Principal Deputy Fiscal Analyst  
Michael J. Chapman, Senior Program Analyst  
Gary L. Ghiggeri, Senate Fiscal Analyst  
Mark Krmpotic, Senior Program Analyst  
Cynthia Clampitt, Committee Secretary

**OTHERS PRESENT:**

Carlos Brandenburg, Ph.D., Administrator, Division of Mental Health and Developmental Services, Department of Health and Human Services  
Nancy K. Ford, Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services

**CHAIR CEGAVSKE:**

The Committee has been provided copies of the Joint Subcommittee on K-12, Human Services Closing List #10 ([Exhibit C](#), original is on file in the Research Library). We will begin on page 9.

MICHAEL J. CHAPMAN (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

There are a few residual issues from the previous mental health budget closing on April 27, 2007, that staff is bringing today for additional consideration.

The first is budget account (B/A) 101-3162.

## HUMAN SERVICES

### MENTAL HEALTH AND DEVELOPMENTAL SERVICES

HHS - Northern Nevada Adult Mental Health Svcs – Budget Page MHDS-13  
(Volume II)  
Budget Account 101-3162

#### M-209 Demographics/Caseload Changes Page MHDS-18

The Governor originally recommended to add 6.51 full-time equivalent (FTE) new positions to the Psychiatric Observation Unit (POU) on the Northern Nevada Adult Mental Health Services (NNAMHS) campus. However, the Governor has revised his recommendation as part of the overall budget reductions to 3.51 FTE. During the budget closing for NNAMHS on April 27, the Senate members did not reach a decision on whether to approve or modify the 3.51 new positions as reflected in the Governor's revised budget recommendation, nor to concur in the Assembly vote. The Assembly members voted to approve no new positions. Fiscal staff is bringing this item back for closing consideration by the Senate members of the Subcommittee. Pages 9 and 10 of [Exhibit C](#) provide detail on the decisions before the Subcommittee.

The Subcommittee closed decision unit M-201 which authorized and funded 30 additional residential placements including a new position for a 0.51 mental health counselor.

#### M-201 Demographics/Caseload Changes – Page MHDS-16

However, the closing report to the Subcommittee on April 27 did not include a budget reduction recommended by the Governor that delays phasing in the recommended placements by three months in the first year of the biennium. It does not reduce the number of placements; it simply delays the start of the placements. Staff recommends the Subcommittee concur with the Governor in the delay of the placements. That action would reduce the fiscal year (FY) 2007-2008 General Fund appropriation by \$32,542. This would be consistent with the closing action taken in approving the residential caseload increase in the Southern Nevada Adult Mental Health Services (SNAMHS) account.

SENATOR RAGGIO:

Dr. Brandenburg is present. Perhaps he could provide further detail on this decision unit.

CARLOS BRANDENBURG, PH.D. (Administrator, Division of Mental Health and Developmental Services, Department of Health and Human Services):

The Division's recommendation was for three positions; two mental health technicians and one registered nurse III.

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SENATOR RAGGIO:

That was my recollection. I would suggest we follow Dr. Brandenburg's recommendation. It is not up to me to substitute my judgment in this matter.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE  
TO ACCEPT THE GOVERNOR'S REVISED RECOMMENDATION TO  
AUTHORIZE THREE ADDITIONAL STAFF.

CHAIR CEGAVSKE:

I suggest we wait until other Senate members are present to take a motion.

SENATOR RAGGIO WITHDREW HIS MOTION.

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CHAIR LESLIE:

I would proceed with a motion for the three-month delay in decision unit M-201.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL  
COMMITTEE TO APPROVE THE THREE-MONTH DELAY FOR  
PLACEMENTS AT THE NNAMHS IN DECISION UNIT M-201.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR  
THE VOTE.)

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CHAIR CEGAVSKE:

We will now consider B/A 101-3161.

HHS-Southern Nevada Adult Mental Health Services — Budget Page MHDS-43  
(Volume II)

Budget Account 101-3161

MR. CHAPMAN:

This item was held during the April 27, 2007, hearing, involving decision unit M-204 concerning psychiatric ambulatory services (PAS).

M-204 Demographics/Caseload Changes – Page MHDS-48

The Subcommittee deferred action on whether to approve the Governor's recommendation to eliminate four psychiatric nurse positions or to reinstate the positions since the actual number of clients served increased from 1,174 clients in September 2006 to 1,365 clients in March 2007. If the SNAMHS was having difficulty recruiting psychiatric nurses, the Subcommittee discussed the use of other clinical positions that might be considered as an alternative to address the PAS program needs.

In response, the Division indicated to staff that, as an alternative to restoring the four nursing positions, the agency could utilize five lower-grade positions in the PAS unit. These positions would consist of two psychiatric caseworkers and three mental health counselor positions in substitution for the nursing positions being eliminated from the budget. The additional General Fund requirement for salary and fringe benefits for this alternative would be \$269,157 in FY 2007-2008 and \$293,884 in FY 2008-2009. The Governor's budget recommendations reduced General Funds in this account by \$342,098 in FY 2007-2008, a difference of approximately \$73,000, and by approximately \$359,000 in FY 2008-2009, a difference of \$65,000, by utilizing clinical positions instead of the psychiatric nurse positions.

I have provided the Subcommittee several alternatives to consider based on discussions at the April 27, 2007, hearing.

Under option (1) the Subcommittee could approve the Governor's recommendation to eliminate the four psychiatric nurse positions. Option (2), if approved, would restore the four psychiatric nurse positions and associated staffing costs increasing General Fund appropriations by \$372,460 in FY 2007-2008 and \$367,503 in FY 2008-2009. The Subcommittee could consider replacing the four psychiatric nurse positions with two psychiatric caseworkers and three mental health counselors for a total of five additional positions under option (3). This would add General Fund appropriations to the budget by \$299,519 in FY 2007-2008 and \$302,411 in FY 2008-2009. Finally, option (4) would approve the Governor's recommendation to eliminate the four psychiatric nurse positions and consider placing either the second or third alternative on the "add list" should the budget committees determine there are available funds to restore the four nursing positions or approve five new clinical positions.

CHAIR CEGAVSKE:

Is there discussion on these four considerations?

ASSEMBLYWOMAN BUCKLEY:

On April 27, 2007, a chart was provided to the Subcommittee that clearly explained the concerns. A couple of budget items under the Mental Health and Disability Services Division (MHDS), including this one, were shown. A large number of positions were approved during the 2005 Legislature, but many went unfilled. When the department ran the Caseload Evaluation Organization (CLEO) projections, the Governor made additional recommendations. The NNAMHS was increasing from \$5 million to \$10 million and the SNAMHS went from \$10 million to \$9 million. Those figures did not appear correct.

I believe the proper action is that both the NNAMHS and the SNAMHS need increases because they have more people to treat. If we do nothing to correct the incorrect CLEO projections that do not reflect reality, we will be approving budgets that do not make sense.

I recommend the Subcommittee proceed with substitution of the psychiatric nurse positions with the two psychiatric caseworkers and three mental health counselors in recognition the agency is having recruitment difficulties. That decision recognizes two-thirds of emergency rooms in southern Nevada are still

filled with the mentally ill. If we do not keep pace with the southern caseload increase, we are doing a disservice to the entire health-care delivery system.

ASSEMBLYWOMAN BUCKLEY MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ACCEPT OPTION (3) AS STATED BY STAFF.

SENATOR MATHEWS:

I do not oppose the motion. However, I am not sure a psychiatric caseworker can fulfill the same duties a psychiatric nurse can perform. I see them as two different scopes of practice.

DR. BRANDENBURG:

You are correct. However, the requested caseworkers and mental health counselors will still have the knowledge required to perform emergency interventions and emergency outpatient treatment.

CHAIR CEGAVSKE:

I concur with Assemblywoman Buckley's comments about caseloads, in both the north and south. My other consideration would be option (4) to place the positions on an "add list" because existing positions are vacant and the agency has been unable to fill them at this time. Would that be acceptable?

ASSEMBLYWOMAN BUCKLEY:

I would prefer option (3). The difficulties in recruitment have been less pronounced, if they exist, in caseworker and mental health counselors. The problems have occurred in the recruitment of physicians and nurses. The restructuring to provide positions not serving outside their scope of practice is a better choice.

Option (4) would place the Subcommittee in a position of approving a 50-percent increase in the NNAMHS, but placing SNAMHS on an "add list," that may or may not be funded at the end the Legislative Session. That is not equitable.

SENATOR RAGGIO:

I sense a north/south issue entering the areas of mental health. That is unfortunate. Dr. Brandenburg is the individual with responsibilities for these agencies. If we do not follow his recommendations in one case, I will not support the motion. I recommend placing the positions on an "add list." I will not follow Dr. Brandenburg's recommendations only in the south.

CHAIR LESLIE:

I will support Assemblywoman Buckley's motion. I do not believe this is a north/south issue. I have been an advocate for improved mental health services in both ends of the State. The problem in this budget cycle is with the CLEO projections. We allocated a portion of the 2005-2007 *Executive Budget*, appropriately so, in southern Nevada. The agency was unable to fill the positions; thus, we could not serve the clients. The CLEO projection model did not consider the unserved clients due to staff vacancies.

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The 2007-2009 *Executive Budget*, as originally proposed, did not reflect reality for southern Nevada. We have asked the Department to work with our staff in the coming interim to correct the CLEO model.

An appropriation of \$5 million was made during the 2005 Legislative Session for medications. Over 2,000 individuals were waiting for medications in southern Nevada. The additional positions requested under Option (3) are also appropriate.

ASSEMBLYWOMAN BUCKLEY ADDED TO THE MOTION TO RECOMMEND CLOSURE OF DECISION UNIT M-204.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMAN GANSERT VOTED NO.)

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

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CHAIR CEGAVSKE:

Is there another motion from the Senate members?

SENATOR RAGGIO:

Yes, I do not want to disregard the need. However, we should consider all the recommendations made by the director of the agency.

SENATOR RAGGIO MOVED, IN A SENATE ONLY MOTION, TO RECOMMEND TO THE FULL COMMITTEE PLACEMENT OF THE REQUESTED POSITIONS ON AN "ADD LIST," OPTION (4).

SENATOR MATHEWS SECONDED THE MOTION.

SENATE: THE MOTION CARRIED. (SENATOR TITUS VOTED NO.)

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CHAIR CEGAVSKE:

There is another issue on page 9 of [Exhibit C](#) the Senate members need to consider in decision unit M-209 for NNAMHS.

SENATOR RAGGIO:

I made my motion in consideration of Dr. Brandenburg's recommendations.

SENATOR RAGGIO MOVED, IN A SENATE ONLY MOTION, TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE 3.51 POSITIONS RECOMMENDED IN DECISION UNIT M-209.

SENATOR MATHEWS SECONDED THE MOTION.

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SENATOR TITUS:

I appreciate the consideration. I do not wish to create a north/south issue either. In terms of numbers, I do not understand why 3.51 positions are needed in the north and none are needed in the south. I would recommend all the positions be placed on an "add list" and see what funding is available later.

CHAIR RAGGIO:

I would have supported additional positions in the south as well. However, we cannot take the recommendation of the agency in one case and ignore it in another.

ASSEMBLYWOMAN BUCKLEY:

The item the Senate just voted to place on the "add list" was the recommendation of Dr. Brandenburg.

SENATOR RAGGIO:

I understand, but the Assembly did not follow Dr. Brandenburg's recommendation for the NNAMHS. I recommend we approve additional positions for both facilities.

ASSEMBLYWOMAN BUCKLEY:

I would support the suggestion for the north. Put treatment beds in the north; or fund the Reno Police program. However, it does not make sense to approve funding when caseload projections do not support the increase.

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

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CHAIR CEGAVSKE:

The Subcommittee will now consider budget items beginning on page 13 of [Exhibit C](#).

MR. CHAPMAN:

That concludes the discussion on the remaining mental health issues.

We will now consider some of the ancillary budgets. The next is B/A 101-3159.

HHS - Southern Food Service – Budget Page MHDS-59 (Volume II)  
Budget Account 101-3159

E-328 Services at Level Closest to People – Page MHDS-61

This account was not previously heard by the Subcommittee. Staff is bringing the closing recommendations to the Subcommittee for consideration. There are no major closing issues in this account. There are enhancement items addressing the additional 22 beds approved by the Subcommittee on April 27, 2007, for SNAMHS. However, the Subcommittee voted to delay the start of those beds, giving the agency an opportunity to fill staffing positions in the unit. Staff has made a technical adjustment reflecting the three-month delay

in providing meals for those beds. In addition, there was a calculation error that overstated the number of beds authorized.

Another issue is the six-bed reduction at the Desert Regional Center (DRC) which we will discuss later.

Staff recommends closing this budget as recommended by the Governor with technical adjustments noted and allowing staff to make further adjustments related to closing discussions of the budget for the DRC.

ASSEMBLYWOMAN BUCKLEY:

With the decrease in beds projected at the DRC due to changing from institutionalization to community-based placements, I am wondering why there is a 44-percent increase in this budget. The cost of meals has increased. Are we expecting something significantly improved? The budget increases from \$1.3 million in FY 2005-2006 to \$1.8 million in FY 2006-2007, \$2.0 million in FY 2007-2008 and \$2.1 million in FY 2008-2009.

MR. CHAPMAN:

The significant increase in FY 2006-2007 is associated with the opening of the new hospital in the south. The FY 2007-2008 increase is due to the additional 22 beds in the first year and is continued into the second year of the biennium.

ASSEMBLYWOMAN BUCKLEY:

Was there a corresponding deduction in food service for the reduction in the number of beds at the DRC?

MR. CHAPMAN:

There is a corresponding reduction for the DRC. Those beds are budgeted to terminate on January 1, 2008. There is a six-month reduction in the first year and a full-year adjustment in the second year.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3159 WITH STAFF'S RECOMMENDATIONS; AND TO AUTHORIZE STAFF TO MAKE APPROPRIATE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAVSKE:

We will now consider the developmental services issues beginning on page 2 of [Exhibit C](#).



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MR. CHAPMAN:

Fiscal Analysis Division staff attempts to address the elements that are common among the three regional centers in one closing consideration. There are five major closing items to be considered as reflected on page 2 of [Exhibit C](#).

CHAIR CEGAUSKE:

We will consider each major issue separately.

MR. CHAPMAN:

The first item addresses the Federal Medical Assistance Percentage (FMAP) change for FY 2008-2009. This was acted upon by the Subcommittee in closing the mental health accounts. The FMAP change affects the developmental services account more dramatically. In this particular case, the change in the FMAP increases Title XIX funds to the developmental services accounts by \$1.3 million with a corresponding decrease in General Fund need.

Staff recommends closing the budget reflecting changes in the FMAP and making technical adjustments accordingly.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE DEVELOPMENTAL SERVICES BUDGETS WITH STAFF RECOMMENDATIONS; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. CHAPMAN:

The second developmental services issue begins on page 2 of [Exhibit C](#). It addresses the decision unit M-200 caseload recommendations from the Governor.

M-200 Demographics/Caseload Changes – Pages MHDS-65, MHDS-74 and MHDS-85

Approval of decision unit M-200, as originally recommended by the Governor, would result in an increase of 640 additional clients in service coordination. Page 3 of [Exhibit C](#) contains a chart that displays how these clients are distributed among the three regional centers and the number of FTE positions and associated funding recommended.

In addition to service coordination, the decision unit M-200 caseload package includes various services of residential supports, family supports, jobs and day training. This is based on historical utilization rates and costs for each of the three regional centers.

Further, on page 3 of [Exhibit C](#), as discussed during the Work Session on April 17, 2007, the Division updated its caseload projections. That update recognizes a reduction from 640 new clients to 518 clients. This updates the caseloads utilized in preparation of the *Executive Budget*. The budget was built on the projection as of March 2006 and the updated projection was through December 2006.

As a result of the revised caseload reduction, the revised caseload eliminates 5.01 FTE positions reducing the number of positions requested from 34.5 to 29.5. As part of the Governor's budget reductions, it also delays the start of the intake process for additional clients, residential placements and job and day training, by three months. This is somewhat consistent with the actions in the mental health budgets.

This also eliminates two of the four quality assurance positions recommended for the DRC. Those are discussed in more detail on page 4 of [Exhibit C](#).

The chart on page 4 of [Exhibit C](#) shows the revised decision unit M-200 caseload increases for the three regional centers including staffing and recommended funding.

Initially, the Governor recommended four new quality assurance positions for the DRC. However, as part of his overall budget reductions, those were reduced to two new positions. The Division identified a number of elements for which the new positions would have responsibility. They include reviews of supported-living arrangements, Intermediate Care for the Mentally Retarded (ICF/MR) programs, jobs and day training and incident reports that would include abuse and neglect.

Additionally, A.B. No. 454 of the 73rd Legislative Session provided for annual certification of supported-living arrangement providers who receive funding from the State. These positions would also be tasked with those functions.

Given the staffing ratio of current quality assurance positions and comparing it to other similar positions in regional centers, it appears the staffing ratio would fall within the range of reasonableness.

Based on that information, staff recommends approval of two quality assurance positions.

That completes the issues in the M-200 decision units. During the hearing on April 27, 2007, a letter of intent was recommended by the Subcommittee to reevaluate the caseload projection methodology for the mental health budgets. The letter of intent should also include a reevaluation of the developmental services agency caseload projections.

ASSEMBLYWOMAN BUCKLEY:

With regard to staffing and the 34.52 FTEs, are all of the additional placements supported by the FTEs in the projected caseload increase? What services are they providing? The new caseload will be based on community placement with supported-living arrangements, a contractor service. Why is the staff request so large?

MR. CHAPMAN:

The bulk of the new positions is developmental specialist positions. The agency term is service coordinators. An additional developmental specialist is needed for every 45 new clients. These positions are responsible for the intake process, arrangement of the service provider contracts, jobs and day training placements and family respite programs. It is an established caseload ratio used over several biennia. Additional administrative support positions such as accountants and administrative assistants are needed to support the professional staff.

CHAIR LESLIE:

Given the reprojected caseload, the revised caseload changes are appropriate.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ACCEPT THE DECISION UNIT M-200 CASELOAD CHANGES; TO REDUCE THE GENERAL FUND NEED BY NEARLY \$4 MILLION IN THE NEXT BIENNIUM; TO AUTHORIZE TWO ADDITIONAL QUALITY ASSURANCE POSITIONS; AND ISSUE A LETTER OF INTENT FOR REEVALUATION OF THE CLEO PROJECTIONS.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAUSKE:

The Subcommittee will now consider decision unit M-540 for the DRC and the Sierra Regional Center (SRC).

M-540 Mandates – Olmstead – Pages MHDS-67 and MHDS-75

MR. CHAPMAN:

The Governor initially recommended General Fund appropriations of \$1.7 million in FY 2007-2008 and \$5.09 million in FY 2008-2009 to support additional clients in residential placement and jobs and day training openings. Those provisions are for individuals who have been on the wait list for more than 90 days. Since that time, the Division has provided updated information regarding the wait list. It appears the wait list has increased, particularly at the DRC. However, as part of the Governor's budget reductions, he has recommended delaying the start of the residential placements and jobs and day training placements by three months, similar to other issues we have discussed to save General Fund revenue.

In addition, the agency made a slight reduction in the residential and job and day training placements for the DRC. Initially the Governor recommended 167 residential placements at the DRC which has been reduced to 151 placements. Jobs and day training placements have been decreased from 25 to 23. The table on page 5 of [Exhibit C](#) specifies those changes.

The funding recommendation, as revised, includes 12 jobs and day training placements at the SRC; however, in the Division's update of April 30, 2007, they did not identify any individuals on a 90-day wait list for jobs and day training placements. If the Subcommittee chooses to fund the wait list as revised in decision unit M-200, staff recommends moving the 12 placements authorized from the SRC to the DRC to further address its 90-day wait list.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ACCEPT DECISION UNIT M-540 AS RECOMMENDED BY THE GOVERNOR AND SUBSEQUENT GENERAL FUND SAVINGS; AND TO TRANSFER THE 12 JOB AND DAY TRAINING PLACEMENTS FROM THE SRC TO THE DRC.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAUSKE:

We will now consider decision units M-541 and E-900. These decision units eliminate the ICF/MR beds and increase community placements.

M-541 Mandates-Olmstead – Page MHDS-67 and MHDS-75

E-900 Transfer from 3280 to 3167 – Page MHDS-69

MR. CHAPMAN:

Decision unit M-541 affects both the DRC and the SRC. This is a complex module. The first part eliminates beds at both facilities. Currently, at the SRC, they are staffed for 30 beds. During the interim, they have been reducing an additional ten beds as positions have become vacant. The Governor recommends elimination of the remaining 20 beds at the SRC over the biennium. In addition, the Governor recommends reducing the number of beds at the DRC from 54 to 48. These bed reductions represent the Department and the Division's approach in reaching the Olmstead goals. Those goals include moving individuals from institutional settings into community settings.

Page 6 of [Exhibit C](#) identifies the impact on positions in this decision unit. A total of 53.97 positions are recommended for elimination at the SRC associated with the elimination of beds on that campus. An additional 5.5 positions associated with the 6-bed reduction at the DRC are eliminated.

Budget account 101-3280 for the SRC requests the addition of one program information specialist. The Division provided substantial information regarding the functions anticipated for the additional position. The primary concern is the statewide developmental database (DS-NOW) system. That system tracks client information, service-provider contracts, Medicaid billing and reimbursements. During 2006, the Legislative Auditor issued a report identifying a control weakness in the DS-NOW system based on the fact one individual developed

the system and is currently the only administrative position. If that individual were no longer available, there is a potential for loss, particularly when billing for services.

Based on information provided by the Division and the concerns expressed by the Legislative Auditor, staff believes the position has been justified.

The second consideration in decision unit M-541 addresses the establishment of crisis-prevention-intervention teams. This is a new concept. Given the number of beds recommended for reduction at the SRC, the Governor's recommended budget includes the establishment of teams. There would be 11 positions at the SRC and 2.5 positions at the Rural Regional Center (RRC). These would be existing positions transferred from the SRC to the RRC. Three additional positions would be included in the DRC budget to establish a core team as they begin to eliminate their remaining beds over the next several biennia.

The concepts of the crisis-prevention team are listed at the bottom of page 6 of [Exhibit C](#). They would focus on crisis prevention and intervention, intensive service coordination, assist the existing agency service coordinators and intensive community intervention when an individual appears to be entering a crisis situation. The teams would attempt to bridge the crisis and reestablish a stable environment.

The last concept is to establish a temporary residential service if an individual must be moved from his community setting. The individual can be returned to the campus on a temporary basis until a new community service contract has been developed.

The staffing pattern contemplated for the SRC would consist of three developmental specialist positions on staff during daytime hours and swing shift. At night, there would be one, or possibly two, individuals who would also staff the team during graveyard shift hours. The plan would provide staffing around the clock. Staffing was based on similar programs in the mental health units for severely emotionally disturbed and severely mentally ill individuals at a staffing ratio of 12:1. The Fiscal Analysis Division staff concurs.

Overall, given the bed reduction recommendations, elimination of 20 beds at the SRC and reduction of 6 beds at the DRC, moving clients from institutional settings into residential placements, jobs and day training placements and establishment of crisis-prevention teams would result in a slight decrease in the General Fund of \$10,000 in FY 2007-2008 and a \$175,000 in FY 2008-2009.

ASSEMBLYWOMAN BUCKLEY:

Will the crisis-prevention teams and the description of services for those individuals with mental retardation and mental illnesses resolve the issue of an individual who has co-occurring disorders of being treated as a "ping-pong ball" since the staff for mental retardation does not want to treat the individual because they are mentally ill? The staff does not want to treat them because their intelligence quotient is under 70.

CHAIR LESLIE:

I believe there is a new program to address co-occurring disorders later on.

DR. BRANDENBURG:

Those are two separate programs. The program Chair Leslie referred to is in decision unit M-602. We will begin with 75 new clients who have co-occurring mental illness and mental retardation diagnoses. It will go a long way to address the example provided by Assemblywoman Buckley. The crisis team will work with the program in identifying prevention programs already in place. They will also attempt to establish early interventions.

#### M-602 Court Orders – Page MHDS-76

It was easier for us to reduce the number of beds at the SRC because of the stability of the population. It is more difficult to make the reductions at the DRC because of the large infrastructure problem that has occurred. Decision unit M-602 should address the concerns of Assemblywoman Buckley.

CHAIR CEGAVSKE:

Staff has indicated the Subcommittee will discuss that concern during the DRC budget considerations.

CHAIR LESLIE:

Staff did a great job in sorting out the first issue.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ACCEPT STAFF RECOMMENDATIONS IN DECISION UNITS M-541 AND M-900; TO APPROVE ONE ADDITIONAL POSITION AT THE SRC AND THE CRISIS INTERVENTION TEAMS; AND TO PROVIDE A SEMIANNUAL REPORT TO THE INTERIM FINANCE COMMITTEE TO MONITOR THE CHANGES.

DR. BRANDENBURG:

A reporting provision is important. The Legislature should have ongoing reports of these new service provisions.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAVSKE:

The Subcommittee will now consider decision unit E-814.

#### E-814 Other Salary Adjustments – Page MHDS-68, MHDS-78 and MHDS-88

MR. CHAPMAN:

Page 7 of [Exhibit C](#) discusses a salary adjustment of a 2-grade increase for various clinical staff. This was recommended by the Department of Personnel based upon a survey conducted during the interim. The Subcommittee will recall it took action on this item, approving the 2-grade increase in the mental health budgets two weeks ago.



ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE DECISION UNIT E-814 AS RECOMMENDED BY THE GOVERNOR, AND TO AUTHORIZE TECHNICAL ADJUSTMENTS AND OTHER ITEMS AS RECOMMENDED BY STAFF.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAUSKE:

The Subcommittee will now address autism services.

MR. CHAPMAN:

The detail can be found on pages 7 and 8 of [Exhibit C](#). This item was not included in the *Executive Budget*. There has been extensive discussion during this Legislative Session, and in past sessions, regarding the provision of autism services.

The agency submitted an item for special consideration. However, as discussed during the Work Session on April 19, 2007, there was some consideration for the use of Temporary Assistance for Needy Families (TANF) funding from the reserve in the Welfare and Supportive Services (WSS) Division account. As a result of working with the agency, they have identified, within the limitations of available funding with approximately \$1 million annually, they could serve another 54 families statewide. That would be approximately 37 families in the south at the DRC, 13 families in the SRC and 4 families in the RRC.

If there is a desire to fund additional placements for families who have individuals with mental retardation and autism diagnoses, an additional 52 families could be served at a cost of approximately \$666,000 in FY 2007-2008 and slightly less than \$1 million in FY 2008-2009.

CHAIR LESLIE:

I have spent considerable time with staff and with the families of autistic children. This is one way to assist these families. This group, in the State program, is for children with autism and mental retardation diagnoses who meet the income criteria. It will serve a limited number of families. A portion of the TANF reserve can be utilized for this purpose. The TANF reserve is a healthy account.

I reviewed this plan with our staff and the Autism Coalition. The families have been testifying that autism services cost individual families up to \$2,500 monthly. Insurance covers none of those costs. It is bankrupting families. The State program pays approximately \$1,100 monthly. I suggest we provide families with autistic children an increase of 20 percent, or a total of \$1,320 monthly. The bill that has been presented requests \$2,000 monthly.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO SERVE AN ADDITIONAL 54 FAMILIES OF THOSE WITH AUTISM THROUGH A TRANSFER FROM THE TANF RESERVE AND TO INCREASE BY 20 PERCENT THE MONTHLY PAYMENTS THROUGH THE STATE PROGRAM.

SENATOR TITUS:

I support spending these funds. It is a deserving cause. I am concerned that the autism groups are active and vocal; more so than other families with other needs. Perhaps the right hand does not know what the left hand is doing.

There are good programs at the University of Nevada, Las Vegas, the State program and the Lili Claire Foundation. I wish we had a clearinghouse for what is available and realize there may be more programs than we think; and if not, where the real needs are.

SENATOR TITUS SECONDED THE MOTION.

CHAIR LESLIE:

I agree with Senator Titus's comments. There are still two bills pending, including Assembly Bill 525, currently in the Assembly Committee on Ways and Means. This bill contains items for early intervention and screening. As a result of the Legislative process on this issue, an amazing collaboration has occurred.

**ASSEMBLY BILL 525 (1st Reprint)**: Revises provisions relating to autism. (BDR 40-1374)

The Senate also has a bill that has a provision to establish an Autism Task Force. That bill will give focus to the issue.

SENATOR MATHEWS:

Senate Bill (S.B.) 368 is my bill and it will be heard on Friday, May 11, 2007. Currently, diagnoses are being lumped together and all are being called autism. There is a separation in the mental health community. There have been dramatic increases recently, and I believe it is because we have started to combine diagnoses. My bill will help separate the diagnoses.

**SENATE BILL 368**: Creates the Nevada Autism Task Force. (BDR S-1134)

SENATOR RAGGIO:

It would be helpful to have as much information concerning potential services as possible prior to the hearing on Friday when the bill is heard. I am in firm support of the current motion.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAVSKE:

We will now turn to page 15 of [Exhibit C](#), B/A 101-3280.



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HHS - Sierra Regional Center – Budget Page MHDS-64 (Volume II)  
Budget Account 101-3280

MR. CHAPMAN:

There is not much left to discuss after the Subcommittee's previous actions concerning the common elements of these accounts.

Staff recommends closing the remainder of B/A 101-3280 as recommended by the Governor and technical adjustments noted by staff.

ASSEMBLYWOMAN GANSERT MOVED TO RECOMMEND TO THE FULL COMMITTEE CLOSURE OF THE REMAINDER OF BUDGET ACCOUNT 101-3280 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORIZATION FOR TECHNICAL ADJUSTMENT BY STAFF.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAVSKE:

The Subcommittee will now consider the DRC, B/A 101-3279.

HHS - Desert Regional Center – Budget Page MHDS-72 (Volume II)  
Budget Account 101-3279

MR. CHAPMAN:

The Subcommittee has already discussed the caseload issues in decision unit M-200, the 90-day wait list and the bed reductions. There are still a couple of items to consider.

The first item addresses the transitioning of 24 private ICF/MR beds to community placements in decision unit M-542. During the 2005 Legislative Session the Governor recommended, and the Legislature approved, the transitioning of 60 individuals from private beds into community placements.

M-542 Mandates-Olmstead – Page MHDS-76

The recommendation in the 2007-2009 *Executive Budget* is to transition 18 adult beds at the DRC. In addition, 6 children were displaced by the closure of the TLC Care Center private facility. Six placements must be restored to serve the caseload. The budget was based on the transitioning of 30 individuals from private beds to community placements.

Staff worked with the Budget Division and the agency on this discrepancy. The Budget Division submitted Budget amendment 37 correcting the error and reducing funding by \$1.4 million in the second year of the biennium.

There should be a corresponding reduction in the Medicaid budget because these private beds are currently supported through the Medicaid budget.

The other issue in this budget is in decision unit M-602 which was mentioned earlier. This decision unit places 76 children and youth in the DRC who are diagnosed with mental retardation and are either mentally ill or have severe emotional issues. In the current biennium, the DRC has accepted five adolescents as directed by the Clark County District Court. As a result, the MHDS, the Division of Child and Family Services, the Clark County Department of Family Services and the Washoe County Department of Social Services undertook a survey that identified 190 children in southern Nevada who are severely emotionally disturbed and developmentally disabled. Of those 190 youth, 76 were identified as not currently receiving assistance through developmental-disability services.

The Governor based his budget recommendations on the 76 youth. The budget would add 10.5 new positions including 7.51 FTE developmental specialists, 1.5 FTE licensed psychologists and 1.5 FTE mental health counselors. The staffing ratio was modeled after the Program for Assertive Community Treatment in the mental health agencies providing 1 clinical staff for every 12 clients. This is a similar ratio to that used for the mentally ill or severely emotionally disturbed children in the Rural Clinics budget. Staff noted no material errors or omissions in this decision module.

Under the Other Items category, staff would recommend closing this budget as recommended by the Governor and authorizing technical adjustments.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3279, DECISION UNITS M-542 AND M-602, AS RECOMMENDED BY THE GOVERNOR, AND TO AUTHORIZE TECHNICAL ADJUSTMENTS BY STAFF.

MR. CHAPMAN:

Staff would like to clarify whether or not the motion would approve the Governor's recommendation with the budget amendment to correct an error in the budget in module M-542 and the Governor's recommendations in M-602.

CHAIR LESLIE:

That is correct. My motion also includes the Other Items category.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAVSKE:

The Subcommittee will now consider B/A 101-3166.

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HHS - Family Preservation Program – Budget Page MHDS-81 (Volume II)  
Budget Account 101-3166

MR. CHAPMAN:

This program provides cash assistance to families who have individuals in their homes who are severely developmentally delayed or have developmental disabilities. The Governor initially recommended the addition of 126 families over the biennium in decision unit M-200. Currently, the program is serving 466 families with a cash payment of \$350 monthly.

M-200 Demographics/Caseload Changes – Page MHDS-81

E-333 Services at Level Closest to People – Page MHDS-82

The Division has revised its caseload projections decreasing the projection from 592 families to 528 families. If the Subcommittee chose to accept the revised caseload, 62 families would be added to the program instead of 126 families.

For comparison purposes, the 2005 Legislature approved the addition of 53 families. If the Subcommittee accepts the revised caseload projections, which appear to be reasonable to staff, the General Fund reductions would total \$174,300 in FY 2007-2008 and \$233,800 in FY 2008-2009.

In addition to the projected increase in caseload, the Governor has also recommended an increase in the monthly payment to these families from \$350 to \$362 monthly in FY 2007-2008, a \$12 increase, and an additional \$12 monthly increase in FY 2008-2009 or \$374 monthly. This is based on recent cost-of-living increases in the federal Supplemental Security Income (SSI) program.

CHAIR LESLIE:

This is an important program that saves the State significant revenue.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE REVISED CASELOAD PROJECTIONS REDUCING THE GENERAL FUND APPROPRIATIONS; AND TO APPROVE THE GOVERNOR'S RECOMMENDATIONS TO INCREASE MONTHLY PAYMENTS.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAVSKE:

The Subcommittee will now consider B/A 101-3167.

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HHS - Rural Regional Center – Budget Page MHDS-84 (Volume II)  
Budget Account 101-3167

MR. CHAPMAN:

Pages 22 and 23 of [Exhibit C](#) contain the information for B/A 101-3167, the Rural Regional Center.

The major elements of this budget were discussed when the common issues were discussed. Staff recommends closing the remainder of this budget as recommended by the Governor with technical adjustments.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE REMAINDER OF BUDGET ACCOUNT 101-3167 AS RECOMMENDED BY THE GOVERNOR; AND TO AUTHORIZE TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAUSKE:

The Subcommittee will now consider B/A 101-3164.

HHS - Mental Health Information System – Budget Page MHDS-91 (Volume II)  
Budget Account 101-3164

MR. CHAPMAN:

The Mental Health Information System budget is the technology budget for the entire Division. There are a few issues to be addressed in this budget. The first is in decision unit E-252.

E-252 Working Environment and Wage – Page MHDS-93

Decision unit E-252 recommends a new information technology (IT) professional position. The Division has indicated the position is necessary due to increased technology needs, not only with expansion of the Division as a whole over the last couple of biennia, but to address the technology needs for the Substance Abuse Prevention and Treatment Agency (SAPTA) being transferred from the Health Division later this year. The current SAPTA budget contains no direct support technology positions. The current support is provided by the Health Division staff.

The MHDS Division provided substantial information concerning increases in the number of users. Their information indicates, as specified on page 25 of [Exhibit C](#), the number of Avatar system users has increased to 1,388. There were 49 WORx (pharmacy) users, 280 DS-NOW users and will add 300 Nevada

Health Information Provider Performance System users when the staff of the SAPTA is included.

In addition, staff reviewed the comparable staffing ratios for this Division and the other divisions within the Department. The recommended new position would improve the staffing ratio somewhat consistently with the remainder of the Department.

Decision unit E-900 transfers an existing information technology manager position from the administration account to the central office account. The decision unit E-900 recommendation appears reasonable to staff.

#### E-900 Transfers from 3168 to 3164 – Page MHDS-95

The *Executive Budget* includes out-of-state travel, in-state travel and other operating costs consisting of rent expenditures for two new positions initially contemplated in this decision unit. However, the Governor recommended only one position. Staff is requesting authority for a technical adjustment to reduce the costs in the amount of \$9,710 in FY 2007-2008 and \$9,743 in FY 2008-2009.

In the Other Items category, decision unit E-250, the Governor recommended additional General Fund appropriations of \$12,152 each year for additional travel.

#### E-250 Working Environment and Wage – Page MHDS-93

#### E-252 Working Environment and Wage – MHDS-93

This decision would increase the in-state travel funding in this account from \$8,093 in the adjusted Base Budget to \$29,375 each year. Staff reviewed the additional travel and noted a few items for adjustment. On page 25 of [Exhibit C](#), the additional travel recommended for the IT manager appears to be excessive. Staff worked with the Division and they agreed with the recommendation to reduce the number of trips by 50 percent. This would reduce General Fund needs by \$6,198 each year and allow the IT manager to travel to the southern portion of the State at least monthly to address the various IT issues faced by the Division.

On page 26 of [Exhibit C](#), additional travel of \$2,106 is included in module E-250 for the new IT professional position in decision unit E-252. This was travel recommended for additional SAPTA-related issues. However, the decision unit for the new position also includes travel costs as adjusted by staff of \$4,566 each year. This includes statewide travel. Staff discussed the item with the Division and they agreed the \$2,106 provided in decision unit E-250 is duplicative of the amounts included in module E-252 and should be reduced accordingly.

As a result, the recommended in-state travel amounts in module E-250 would decrease from \$29,376 annually to \$16,507 which appears to be reasonable in support of positions in this account.

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Additionally, \$3,408 each year was recommended for replacement software licenses. Further information from the Division indicated this item could be removed from the budget in decision unit E-711.

#### E-711 Replacement Equipment – Page MHDS-94

Staff has made an adjustment removing the cost. Staff recommends closing the remainder of this account as recommended by the Governor with technical adjustments submitted by staff.

CHAIR CEGAUSKE:

The Subcommittee will consider decision units E-252, E-900, E-250, E-275 and E-711. I would request the Interim Finance Committee (IFC) be provided a report on the changes in this account. To recap, there would be one new technical professional position in module E-252 as recommended by the Governor, and decision unit E-900 accepts the transfer of the IT manager position from the MHDS administration account to consolidate with the central office technology position. In decision unit E-252, we would approve the new IT position as recommended by staff with technical adjustments, reducing the cost by \$9,710 in FY 2007-2008 and \$9,743 in FY 2008-2009. Module E-250 would eliminate the funding for 50 percent of the in-state travel of the IT manager, allowing monthly travel to Las Vegas. In module E-252, staff recommends the elimination of in-state travel costs of \$2,106 each year for the new position. In modules E-275 and E-711, the Subcommittee would accept staff's recommendation for technical adjustments and the removal of costs and require the MHDS to provide a report to the IFC.

#### E-275 Maximize Internet and Technology – Page MHDS-94

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3164 AS STATED BY CHAIR CEGAUSKE.

CHAIR LESLIE:

I would take this opportunity to thank our staff and the agency for the work in closing these budgets.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAUSKE:

The Subcommittee will now consider B/A 101-3170.

HHS - Bureau of Alcohol & Drug Abuse – Budget Page MHDS-98 (Volume II)  
Budget Account 101-3170

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MR. CHAPMAN:

Budget account 101-3170 is the recently renamed SAPTA, formerly known as the Bureau of Alcohol and Drug Abuse.

Page 28 of [Exhibit C](#) contains the detail for a number of closing issues in this budget. The first item is informational. It discusses the maintenance of effort (MOE) in this account associated with the federal Substance Abuse Prevention and Treatment (SAPT) grant. The current MOE requirement in this account is approximately \$3.7 million. As we will discuss during the budget closing, there are a number of enhancements that add substantial General Fund increases to address various programs in the account. If the enhancements are approved, the MOE would increase from the current \$3.7 million each year to approximately \$11.1 million beyond the 2007-2009 biennium. If the various items are approved, the agency will need to maintain this increased MOE to satisfy the federal grant requirements and to maintain the federal SAPT funding in this account.

The Subcommittee may recall that, in closing the Department of Health and Human Services (HHS) Director's Office budget, the Governor had recommended \$1 million each year to establish and administer a methamphetamine education program. The Subcommittee discussed the provision extensively. The end result was the movement of the \$1 million allocation from the Director's Office budget to B/A 101-3170 to alleviate federal concerns of the MOE requirement and the use of those funds for methamphetamine programs. The Subcommittee will need to take action to accept the \$1 million allocation into this account.

Based on that action, staff recommends funding for the expenditure portion of the budget be placed in a separate category to better track the expenditures for the education program.

CHAIR CEGAVSKE:

We will consider these items one at a time.

CHAIR LESLIE:

I recognize the staff's concern about the MOE, but we have not been spending sufficient funds in this area. I cannot imagine the future if we spent any less in this area of the budget.

I saw a report from the Reno Police Department and the Washoe County Sheriff's Office in the paper this week, stating they feel the methamphetamine problem has hit a peak. I hope they are correct, although I have not seen any data to support that opinion. The State needs to begin owning up to the severe substance abuse problems.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE THE SEPARATE TRACKING OF METHAMPHETAMINE FUNDS; AND TO ACCEPT THE \$1 MILLION ANNUAL ALLOCATION FROM THE DIRECTOR'S OFFICE BUDGET.

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MR. CHAPMAN:

That is staff's recommendation. There will be other similar recommendations. A large amount of new funding is anticipated in this budget to address various issues.

CHAIR CEGAVSKE:

Does the Subcommittee want to direct the agency to make reports to the IFC?

CHAIR LESLIE:

I will be personally following this program. It is appropriate for the Legislature to have semiannual reports on the progress of new programs that have been approved.

ASSEMBLYWOMAN LESLIE AMENDED HER MOTION TO INCLUDE A SEMI-ANNUAL REPORT ON THE METHAMPHETAMINE PROGRAM TO THE IFC.

CHAIR CEGAVSKE:

I agree with Chair Leslie. I believe the program will eventually have a large effect on our prison system. We need to monitor and see the results.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAVSKE:

We will now consider item 2 in this budget.

MR. CHAPMAN:

Item 2 is on page 29 of [Exhibit C](#) and addresses decision unit E-412.

E-412 Access to Health Care and Health Insurance – Page MHDS-102

The Governor recommends replacing current federal State Incentive Grant funds (SIG) in the amount of \$2.3 million in FY 2007-2008 and \$3 million in FY 2008-2009. Currently, the federal funds have been utilized to provide grants to community coalitions and drug prevention programs. The federal funding is predicted to end on September 30, 2007. The Governor's recommendation would continue those programs with General Fund support. If the Subcommittee approves this decision unit, staff recommends the funds be placed in a separate category to track the program and to avoid the commingling of State funds with the remaining federal funds in this category.

ASSEMBLYWOMAN BUCKLEY:

I support the additional funding in this budget; however, I want to ensure the State is providing services in such areas as treatment options and the treatment bed shortages.



The motion the Subcommittee just recommended to pass provides \$1 million each year of the biennium for methamphetamine education, prevention and work with the task force.

In this decision unit, there is another \$2.3 million in the first year and \$3 million in the second year for community coalitions and drug prevention. I want to ensure we are not funding a variety of groups sitting in a room talking about how methamphetamine use is bad. I want to see effective education and additions to our treatment options. The rate of substance abuse is crippling our prisons and community groups.

How are we ensuring we receive appropriate outcomes for the funding being spent?

CHAIR CEGAVSKE:

I concur with Assemblywoman Buckley. We had asked the agency how many beds were available for treatments and I have not yet received a report. We need to be aware of what treatment programs there are and if those programs are working. The other concern I have is for aftercare programs. I do not believe Nevada has aftercare programs in these facilities.

ASSEMBLYWOMAN BUCKLEY:

The aftercare programs are an excellent point. I am looking ahead to the next item which would add \$1.5 million in the first year and \$2.3 million in the second year for alcohol and substance abuse. We need the right balance in terms of what we are doing.

DR. BRANDENBURG:

At the end of this biennium, if all budget enhancements are approved, 32 percent of the funds will be directed to prevention programs and 63 percent will be directed to treatment. The Division and the SAPTA unit are committed to working with the prevention coalitions to ensure excellent outcomes.

For each \$1 allocated for prevention, \$7 is saved in treatment. There are approximately 400 treatment beds in Las Vegas or 63 percent of the total. In Washoe County there are 147 beds or 23 percent of the total treatment beds. In the remainder of the State, there are 58 beds or 9.2 percent. There is a capacity issue in both prevention and treatment areas. This budget has not been funded since approximately 1999 when approximately \$500,000 was provided through MAXIMUS funds. A concerted effort is needed to increase both the treatment and prevention components.

The Subcommittee has my assurance the Division will work closely with the prevention coalitions to ensure outcomes meet expectations and needs.

CHAIR CEGAVSKE:

Could you provide the requested information concerning aftercare programs? How many are in aftercare treatment, how many stayed in an aftercare program and how many are repeat offenders? The programs will assist prison concerns.

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MR. CHAPMAN:

Staff received information from the Division approximately one week ago. I have not yet advanced it to the Subcommittee.

DR. BRANDENBURG:

We served 1,900 adults, 509 adolescents and 110 pregnant women in the Clark County outpatient services program.

CHAIR CEGAVSKE:

Are those figures for treatment or aftercare services?

DR. BRANDENBURG:

Those are figures from the outpatient, aftercare program. In the intensive aftercare or intensive outpatient services we have served 224 adults, 42 adolescents and 48 pregnant women. There are a considerable number of individuals in aftercare treatment, although more is needed.

CHAIR CEGAVSKE:

Aftercare issues are a lifetime process. It may not be as extensive as Alcoholics Anonymous meeting support, but the facilitation has to happen.

DR. BRANDENBURG:

That is correct. The requested information was provided to staff.

SENATOR MATHEWS:

The majority of these budget items mention methamphetamines. While I am aware this is the current drug of choice and how devastating it is, I wonder if having taken methamphetamine is a requirement for treatment. Must an individual have taken at least one hit of methamphetamine to be treated?

I am concerned. There are many other deadly drugs in our communities on a regular basis. My church has an ongoing report, each Sunday, of the various things the youth must be kept away from. Methamphetamine is not the most deadly drug in my neighborhood.

DR. BRANDENBURG:

The requests address a combination of all the drugs of choice. Of the funds in decision unit E-412, 50 percent will be directed to methamphetamine prevention and 50 percent will be directed to prevention and education concerning other drugs.

SENATOR MATHEWS:

In other words, if an individual presents with a drug problem, they can be treated?

DR. BRANDENBURG:

That is correct.

SENATOR TITUS:

How much of the new funding requests are directed toward methamphetamines?

MR. CHAPMAN:

Initially, the *Executive Budget* identified approximately \$17.1 million to address the fight against methamphetamine use. Budget account 101-3170 contained approximately \$12 million combined in three decision modules E-412, E-413, and the pilot program for co-occurring disorders in E-414.

E-413 Access to Health Care and Health Insurance – Page MHDS-102

E-414 Access to Health Care and Health Insurance – Page MHDS-102

During the early portion of the Legislative Session, the Division identified about 45 to 50 percent of the new funding would be directed toward methamphetamine use and the other 50 percent would be directed to other substance abuse issues and also address methamphetamine use as a secondary abuse. That was premised upon the number of individuals in the system for which methamphetamines are the first drug of choice. The drug abuses are identified separately.

SENATOR TITUS:

When staff stated \$17.1 million was in the *Executive Budget* to address methamphetamine use, is the \$12 million noted in the budget in addition to the \$17.1 million?

MR. CHAPMAN:

The \$12 million is a part of the total of \$17.1 million. Also, another \$2 million of the \$17.1 million total was moved into this account from the Director's Office budget account for a total in this budget of approximately \$14 million.

CHAIR CEGAUSKE:

In response to Senator Mathews' question, addiction exists, and it does not matter whether it is to methamphetamine or another substance, they are all devastating.

Unfortunately, if individuals have a methamphetamine addiction, they often have other addictions as well, whether it is to alcohol or another substance.

CHAIR LESLIE:

We rarely see individuals in the drug courts who only have an addiction to methamphetamine. Almost always, there is at least one other drug involved. The specific problem with methamphetamines, and why it is receiving so much attention, is the individual deteriorates more rapidly, it is highly addictive and users perpetrate criminal activities. Those links are much greater than I have seen with any other drug.

The funding requested specifically for methamphetamine is the \$2 million to be allocated to prevention. Treatment funds will be for all addicts although the largest portion will be addicted to methamphetamine.

The other cost is not in the budgets being heard today, but in the law enforcement budgets. I would rather place the law enforcement funding into treatment, but that is not the decision today.

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I believe Assemblywoman Buckley's concern was the fact there is so much need in the treatment side. I understand we are backfilling the federal funding that is no longer available. I believe the prevention coalitions are working. If we do not invest in prevention, we will never get ahead of the problem.

What type of evaluation could be put in place that could be reported in the interim and would show evidence-based practices and prevention programs? It would provide some comfort that the \$5 million allocated to prevention is making a difference.

DR. BRANDENBURG:

It sounds like we are addressing another letter of intent. We will be happy to comply. Your summary is correct. One goal of the agency is to bring the prevention funds back under the SAPTA provisions. We need to ensure we are monitoring and encumbering the funds and looking at performance indicators and outcome measures.

The agency needs to demonstrate to the Legislature and the Governor that prevention funds work.

Under decision unit E-412, \$1.15 million each year will be directed to methamphetamine-prevention education.

In decision unit E-413, \$689,000 in FY 2007-2008, or 45 percent of the funds, will be directed toward methamphetamine and \$1.3 million in FY 2008-2009.

Under co-occurring disorders in E-414, \$413,000 will be directed to methamphetamine abuse in the first year and \$862,000 in the second year.

CHAIR CEGAUSKE:

A great deal of funding is being requested. The Subcommittee wants to ensure the providers and resources will adequately begin reducing the numbers of those with addictions.

We are not trying to create more work, but we need accountability. Please work with staff on the development of the performance indicators.

DR. BRANDENBURG:

It is highly necessary for the agency to have the ability to provide outcome measures to the Executive and Legislative branches of government. The time is gone when Legislators fund programs because they smell good, look good and feel good. We are the guardians of the public trust.

CHAIR LESLIE:

I would remind the Subcommittee the SAPT funding was recently moved under the MHDS. We owe it to Dr. Brandenburg to allow time for development of the performance indicators and to manage the program.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ACCEPT THE GOVERNOR'S RECOMMENDATION TO REPLACE THE SIG FUNDS WITH GENERAL FUNDS; TO ACCEPT THE STAFF RECOMMENDATION TO PLACE THE FUNDS IN A SEPARATE

CATEGORY TO AVOID COMMINGLING; AND TO REQUIRE A SEMIANNUAL REPORT ON THE UTILIZATION OF FUNDS AND PROGRAM OUTCOMES.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAVSKE:

The Subcommittee will now consider decision unit E-413.

MR. CHAPMAN:

Item 3, on page 29 of [Exhibit C](#), is the Governor's recommendation in module E-413 to reduce the wait list. The Governor recommends General Fund appropriations of \$1.5 million in FY2007-2008 and \$2.3 million in FY 2008-2009. This funding would be directed to community treatment providers to reduce the number of individuals identified by the agency on the Alcohol and Substance Abuse wait list.

Information provided by the Division indicates there are approximately 2,200 individuals who waited an average of 18 days for treatment in calendar year 2006. Based on the Governor's recommended funding, the Division believes it can serve an additional 567 individuals in FY 2007-2008 and an additional 850 individuals in FY 2008-2009. Staff is not making a recommendation in this module.

CHAIR LESLIE:

My only concern is that the recommended funding is not nearly enough. I understand the wait list numbers are unstable, but I do not believe that is Dr. Brandenburg's fault. By the next Legislative Session, we should have numbers in which we can place confidence. It is an 18-percent increase which sounds like a lot, but given the substance abuse problem in the State, it is a small amount. This is the first funding allocated to this area since 1999.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ACCEPT THE GOVERNOR'S RECOMMENDATIONS FOR GENERAL FUND ALLOCATIONS OF \$3.8 MILLION TO DECISION UNIT E-413.

We are working behind the scenes with prison reform. Perhaps we can expand treatment capacity with those savings. I am cognizant that our treatment system, even with an increase, will take time to expand. For the record, "We have to do something. We are in a critical situation; I cannot even say how critical the need is out there. We do not have treatment beds. How sad is it going to be that, the only way you can get a treatment bed is if you get in trouble, go to jail or prison and maybe then get some drug treatment?" I pledge my support to work with the Division in the interim and then, in the next Legislative Session, to come before the Subcommittee with a package and a

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plan to dramatically increase the treatment capacity in our State. I do not want us to leave here today thinking \$3.8 million will solve the situation. This is a small step forward.

DR. BRANDENBURG:

One item I had requested from the Budget Division was to provide direction as to whether I will have the authority to utilize the decision unit M-200 caseload formula when this budget is built in the future.

The agency has the ability, in the disability services portion of the budget, to build a caseload package into the budget process. I have asked whether I can utilize the same process for the substance abuse providers. That will help address the issue.

SENATOR MATHEWS:

I want to ensure all the communities in the State will be reached. I find, when it comes to rehabilitation and drug treatment, our children get left behind. I want to ensure all segments of the population are treated equally. I say that from experience.

CHAIR CEGAUSKE:

Judging by the calls I receive from my constituents and others looking for services, they do not know where to look. It does not matter where in the State an individual resides. Parents and students do not know who to ask for help.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

\* \* \* \* \*

CHAIR CEGAUSKE:

The Subcommittee will now consider decision unit E-414.

MR. CHAPMAN:

Pages 29 and 30 of [Exhibit C](#) contain the Governor's recommendations in decision unit E-414 to establish a pilot program that would serve adults and adolescents diagnosed with both mental illness and substance abuse addiction. The Governor's recommendation includes a new health program specialist position. The primary funding in the account is directed toward grants to various community organizations that are able to serve individuals with co-occurring disorders.

The administrator indicated the program would begin serving 45 individuals in southern Nevada in FY 2007-2008. In FY-2008-2009, the program would be expanded to northern Nevada serving an additional 45 clients. Staff has reviewed the recommendation.

Because it is a pilot program, staff would offer the Subcommittee an alternative. The Subcommittee could consider reducing the number of individuals to be served, perhaps to 25 clients over the biennium. It would allow the agency to implement the program, develop and collect outcome data and determine the effectiveness of the program until the Legislature can review the results and determine if it is an effective program.

If the number of clients served were reduced, it would create a General Fund savings of \$415,000 in FY 2007-2008 and approximately \$1.4 million in FY 2008-2009.

The question before the Subcommittee is whether to accept the Governor's recommendation. As an alternative, the Subcommittee could consider serving fewer clients to reduce General Funds which would allow the agency to develop the program and outcome measures and report to the Legislature. Regardless of the decision of the Subcommittee, staff recommends funding for the community grants treatment providers to be placed in a separate budget category for tracking purposes.

CHAIR CEGAUSKE:

This is an important issue that has been worked on extensively.

DR. BRANDENBURG:

If there is one major gap in our service-delivery system, it is this area of need. Currently, 70 percent of the clients in the mental health system have co-occurring illness. That means they have a form of mental illness and a form of substance abuse.

National studies have shown that poor treatment outcomes are the result of a lack of integrated treatment. We are trying, through this pilot program, to develop an integrated approach in Nevada. The agency did not request funding for co-occurring programs in the mental health budgets because I wanted that funding to be used in the substance abuse area to develop the infrastructure.

We need to begin thinking, "there is no wrong door." The only way that will work is to have this program. It is an expensive program. We could delete the licensed staff. We are looking at initial costs for training and evaluation. This is a truly important program. There is no doubt in my mind I can provide the Subcommittee excellent outcomes if the program is funded in its entirety.

CHAIR LESLIE:

I concur with Dr. Brandenburg and the Chair; this program is long overdue.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ACCEPT THE GOVERNOR'S RECOMMENDATION FOR THE CO-OCCURRING DISORDER PILOT PROGRAM IN DECISION UNIT E-414; AND TO REQUEST A LETTER OF INTENT TO REPORT SEMIANNUALLY; AND TO ESTABLISH A SEPARATE CATEGORY TO TRACK THE FUNDS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED. (SENATOR TITUS WAS ABSENT FOR THE VOTE.)

\* \* \* \* \*

CHAIR CEGAVSKE:

We will now consider decision units E-125 and E-127.

E-125 Equitable, Stable Tax Structure – Page MHDS-101

E-127 Equitable, Stable Tax Structure – Page MHDS-101

MR. CHAPMAN:

These decision units are found in item 5 on page 30 of [Exhibit C](#). This is program administrative support staff for the SAPTA program. Decision unit E-125 transfers funding to the Mental Health Administration account to support 3.5 new positions. The Subcommittee approved the positions on April 27, 2007.

Decision unit E-127 supports 1.5 new positions, including one new FTE accountant position, and increases an existing half-time administrative assistant position to a full-time position. Based upon the increased program activity in this account, and previous closing recommendations, the request appears reasonable.

Staff notes a technical adjustment in this decision unit to properly align the funding sources for the positions and their associated costs. This adjustment would reduce the General Fund allocation by \$7,481 in FY 2007-2008 and \$7,440 in FY 2008-2009.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE DECISION UNITS E-125 AND E-127 WITH THE GOVERNOR'S RECOMMENDATIONS AND STAFF'S TECHNICAL ADJUSTMENTS.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAVSKE:

The Subcommittee will now consider the other items in this budget account.

MR. CHAPMAN:

E-805 Classified Position Reclassifications – Page MHDS-103



The only item left in this account is the recommendation to reclassify an existing administrative assistant II to an accounting assistant III. With the increased funding and activity in this account, this position will assume more accounting and fiscal-related duties. The recommendation appears reasonable to staff. Staff made a technical adjustment to correct a Budget Division data processing error that overrode certain data processing costs adding General Fund of approximately \$1,300 annually. Staff requests authority for technical adjustments in this account including the Department of Information Technology (DoIT), the Purchasing Division, the Statewide Cost Allocation Plan and the Attorney General cost allocations and any price changes for equipment and computer hardware.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE COMMITTEE TO APPROVE DECISION UNIT E-805 AS RECOMMENDED BY STAFF, AND TO AUTHORIZE TECHNICAL ADJUSTMENTS BY THE STAFF.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

CHAIR CEGAVSKE:

The Subcommittee will now consider B/A 101-3255.

HHS - Alcohol Tax Program – Budget Page MHDS-106 (Volume II)  
Budget Account 101-3255

MR. CHAPMAN:

This account is being brought to the Subcommittee by staff. It was not heard during the budget hearing process. There are no closing issues in this account. Staff recommends closing this budget as recommended by the Governor.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO ACCEPT THE GOVERNOR'S RECOMMENDATIONS FOR BUDGET ACCOUNT 101-3255.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAVSKE:

Thank you, staff, for your diligent work.

We will now consider the budgets of the WSS, beginning with an overview of the Deficit Reduction Act.

## HUMAN SERVICES

### WELFARE

MARK KRMPOTIC (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Deficit Reduction Act (DRA) discussion can be found beginning on page 33 of [Exhibit C](#). There are two major issues: work participation and work verification.

The Subcommittee will recall that with respect to work participation, the Deficit Reduction Act removes a caseload reduction credit which the Division has relied on to meet the work participation requirements for the all-family rate of 50 percent. Under the DRA, the caseload reduction credit is removed and the Division is facing stricter requirements to meet the work-participation goals.

The DRA also requires the inclusion of families in separate State programs into the work-participation rate. These families are currently counted under the State MOE funding and excluded from work participation. To meet the stricter requirements of work participation, the *Executive Budget* recommends 50 additional positions over the biennium. Thirty of these positions represent family services support specialist positions who would work directly with the New Employees of Nevada (NEON) program participants. The Subcommittee will recall the Division previously reported projected NEON cases of approximately 7,800 each year, increasing the ratio of family services specialist positions from its current ratio of 90:1 to over 100:1. The primary object of the request for additional positions is to reduce the ratio of NEON participants to employment and training workers to a targeted level lower than 90:1. The Division indicated it was targeting a ratio of 40:1.

Based on revised projections for NEON cases and a clarification in the method in which NEON cases are interpreted, the number of cases is projected as approximately 3,200 in FY 2007-2008 and 3,300 in FY 2008-2009. Staff would note the reduction in the number of cases involves the calculation of NEON participants using a case count as opposed to a recipient count. That removes the multiple-family aspect of the cases from the calculation.

Based on the revised projections provided by the Division, with the positions recommended in the *Executive Budget*, the Division would eventually reach a caseload-to-staff ratio of 45:1. Staff would clarify information in [Exhibit C](#) which indicates 45 cases in each year of the biennium. The Governor recommends phasing in these positions over the biennium to reach the 45:1 caseload-to-worker ratio by the end of the biennium. The positions would primarily work with hard-to-serve clients. As previously noted, clients now included in the caseload were previously included in the MOE computations. The Division indicates those were previously barrier cases.

Based on the revised information, it appears the Division would be able to achieve its objective of reducing the number of NEON cases per employment

and training worker. The addition of 30 family services specialists appears reasonable to staff. The Governor recommends a ratio of 4:1 administrative support staff for the additional family services specialists, two lead family services specialists at a ratio of 16:1; 3 supervisors at a ratio of 10:1; and 5 social services managers to serve as assistant managers in each of the major field offices. The Division has concerns for the operational challenges that currently face the office managers in each of the major field offices. The Division indicates the assistant office managers would primarily oversee the TANF program administration and ensure all aspects of business responsibilities are accomplished in accordance with federal regulations.

As a reminder, the overall TANF caseload is projected to decrease from 19,494 in FY 2005-2006 to approximately 14,000 in each year of the 2007-2009 biennium. Previously, the Division had assistant office manager positions. Those were transferred to the Division of Child and Family Services during the reorganization that occurred in FY 1991-1992. Since that time, the WSS has succeeded in implementing welfare reform legislation without the assistant office manager positions in the larger offices. For these reasons, staff does not recommend the addition of the assistant office managers to the large metropolitan offices in Reno and Las Vegas. If this recommendation is ultimately approved by the Subcommittee, staff would recommend one corresponding administrative assistant position be eliminated in FY 2008-2009 based on the ratio supplied by the Division. The recommendation would reduce the budget by approximately \$100,000 in FY 2007-2008 and \$340,000 in FY 2008-2009.

If the Subcommittee approves the 30 family services specialist positions, staff recommends the addition of 9 administrative assistant positions, 2 lead positions and 3 supervisors in decision unit M-592 of the Field Services budget account.

Welfare - Field Services – Budget Page WELFARE-14 (Volume II)  
Budget Account 101-3233

M-592 Deficit Reduction Act of 2005 – Page WELFARE-17

ASSEMBLYWOMAN BUCKLEY:

I had concerns with this budget account during previous hearings. The State should first look to outside private resources to provide employment and training opportunities. Examples might be community colleges, culinary-training centers and others. There are entities that already perform these functions. That is a better option than hiring State workers who are not the best employment connectors. That is not typically a State-worker function.

I spoke with staff and Mr. Michael J. Willden, Director, Department of Health and Human Services. I suggest the Subcommittee hold this decision unit until the mental health budgets are closed next week and invite the Division to provide other alternatives, or reserve the funding to establish an employment effort and require the Division to present their efforts to the IFC.

CHAIR CEGAVSKE:

That appears to be a reasonable recommendation. Does staff have a comment?

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

I would not recommend holding this account. Directing the funds to access through the IFC might be a better choice. The more budgets held, the slower the overall budget process.

ASSEMBLYWOMAN BUCKLEY:

I concur with Mr. Ghiggeri's recommendation.

MR. KRMPOTIC:

The funding source for these positions is with the TANF funds. If the Subcommittee wishes to remove the TANF funds and the positions to fund this effort, the agency would approach the IFC to add the TANF funding to its budget as positions are needed.

ASSEMBLYWOMAN BUCKLEY MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3233, DECISION UNIT M-592, WITH THE RECOMMENDED TANF FUNDING TO BE ACCESSED, WHEN NEEDED, THROUGH THE IFC.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

We will now consider the additional NEON program services to improve work participation on page 35 of [Exhibit C](#).

Welfare - TANF – Budget Page WELFARE-23 (Volume II)  
Budget Account 101-3230

M-592 Deficit Reduction Act of 2005 – Page WELFARE-25

This involves the addition of approximately \$850,000, in each year of the biennium, to fund additional services for clients. The agency has explained it would utilize funding at approximately \$225,000 for transportation services, \$340,000 for education and training and \$278,000 for on-the-job contracts.

The agency has indicated it intends to use the additional funding to establish a wide range of employment-related opportunities such as on-the-job training and subsidized employment opportunities. Staff does not have any issues with this recommendation. If it funds this decision unit, the Subcommittee may wish to consider a letter of intent requiring the agency to report to the IFC on the use of funding providing NEON services, including the Division's efforts in implementing subsidized employment opportunities.

CHAIR LESLIE:

These are important funds. The individuals who remain on Welfare, under the TANF, are the most difficult cases. I have been disappointed we have not been spending more in this area until now. It is appropriate to request a letter of intent and have the agency appear before the IFC to report.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3230, DECISION UNIT M-592, AS RECOMMENDED BY THE GOVERNOR AND TO ISSUE A LETTER OF INTENT OUTLINED BY STAFF.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

Page 36 of [Exhibit C](#) contains the second aspect of the Deficit Reduction Act involving work verification. States must provide a Work Verification Plan which was due on September 30, 2006. The Division met that deadline. The Work Verification Plan submitted by Nevada indicates it plans to correctly identify work-eligible individuals, correct entry of participation errors and ensure participation errors are identified and documented.

The Work Verification Plan also identifies Nevada's Data Reporting Unit which will implement audits on case file documentation and system reviews. Staff noted explicit direction does not appear in the rules regarding establishment of an independent tool for quality assurance and discussed the situation with the agency. The agency indicates it wishes to have consistent application of review methodology, a central unit to conduct an unbiased review and to ensure accurate findings are recorded. The TANF Data Reporting Unit is responsible for the collection, validation and transmission of data elements as required. The unit currently consists of one position. The Division indicates additional resources are needed to conduct the quality assurance outlined in this item. Staff has no concerns with the addition of three positions.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE WORK VERIFICATION ELEMENT IN THIS BUDGET WITH STAFF RECOMMENDATIONS FOR THREE ADDITIONAL POSITIONS; AND TO STAFF THE QUALITY ASSURANCE PROCESS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. KRMPOTIC:

A number of items are recommended for the use of High Performance Bonus Funds under B/A 101-3228.

Welfare – Administration – Budget Page WELFARE-1 (Volume II)  
Budget Account 101-3228

Those uses include a corrective action planning conference, outlined on page 38 of [Exhibit C](#) (decision unit E-225). Also, a software package allowing the Division to improve its quality-assurance process and monitor the work participation rate in decision unit E-275; case-tracking software for the Investigations Recovery Unit in decision unit E-276; IRise computer software to allow the IT staff to simulate business conditions in E-277; an automated file-tracking system to assist field offices in locating case files in decision unit E-278 and laptop computers in lieu of desktop computers in decision unit E-720 are included in this budget account.

Staff has no issues with these decision units.

E-225 Eliminate Duplicate Effort – Page WELFARE-5

E-275 Maximize Internet and Technology – Page WELFARE-6

E-276 Maximize Internet and Technology – Page WELFARE-7

E-277 Maximize Internet and Technology – Page WELFARE-7

E-278 Maximize Internet and Technology – Page WELFARE-8

E-720 New Equipment – Page WELFARE-9

Budget amendments 43, 44, and 45 affecting these units are outlined on pages 38 and 39 of [Exhibit C](#).

CHAIR CEGAUSKE:

Senator Mathews had expressed a concern regarding the corrective-action planning conference funding.

SENATOR MATHEWS:

That concern has been alleviated.

MR. KRMPOTIC:

Staff would note budget amendment 106, on page 39 of [Exhibit C](#). It adds two positions, funded by federal Child Care Funds, totaling slightly more than \$100,000 in each year of the biennium. It would allow the Division to meet a new federal regulation mandating review of the Child Care Assistance program. It allows Nevada to establish a base-line error rate. These positions would conduct annual reviews and measure program errors. Staff has no issues with this budget amendment.

Other closing items include decision unit E-719 and the transfer of positions in decision units E-901 and E-904. Staff recommends approval of those items.

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E-719 Replacement Equipment – Page WELFARE-9

E-901 Transfer In from Welfare Field Office – WELFARE-11

E-904 Transfer Out to Energy Asst Program – Page WELFARE-11

Staff requests authority to make changes to this budget based on the cost allocation calculations provided by the agency.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3228 WITH THE GOVERNOR'S RECOMMENDATIONS; AND TO AUTHORIZE STAFF TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAUSKE:

The Subcommittee will now consider the Field Services budget, B/A 101-3233.

MR. KRMPOTIC:

A new Elko office relocation and telephone system is included in this budget.

E-330 Services at Level Closest to People – Page WELFARE-18

The Elko office is being relocated, along with other Divisions of the Department of Health and Human Services. It involves the expenditure of High Performance Bonus Funds as well as federal funding.

Staff has reviewed the recommendation and it appears reasonable. The telephone costs were added to the budget in case the DoIT is unable to move the existing telephone system. Staff recommends removal of decision unit E-329 totaling approximately \$55,000.

E-329 Services at Level Closest to People – Page WELFARE-18

Since the hearing for this account, the Division has reported increases in General Funds are required to meet the certified cost-allocation requirements for the Field Services budget. Those increases total approximately \$700,000 in each year of the biennium.

With High Performance Bonus Funds and a balance of approximately \$570,000 remaining including the decision units in these budgets, the Subcommittee could apply the High Performance Bonus Funds to the increase in General Funds necessary in the first year of the biennium and offset the increase in General Funds for the Field Services budget.

Under Other Items, staff recommends each of the items in decision units E-225, E-720, E-901 and E-905. Staff requests authority to make technical adjustments for the revised cost allocation.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3233 WITH STAFF RECOMMENDATIONS AND THE AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAUSKE:

The Subcommittee will now consider B/A 101-3230.

MR. KRMPOTIC:

The TANF funding is listed on page 45 of [Exhibit C](#). The Deficit Reduction Act maintains the current level of the block grant. However, eventually, the State will lose the supplemental funding from the high population growth modifier. Based on budget changes made by staff for the revised decrease in caseload projections, budget amendment 10 increases the transfer of Title XX funds to the Grant Management Account. The Division estimates a TANF balance by the end of the biennium of \$29 million. The TANF balance will be reduced by approximately \$1.7 million for the additional transfers to the Mental Health and Disability Services Division to fund autism assistance.

Under TANF caseloads, the table on page 45 of [Exhibit C](#) outlines projected caseloads provided by the Division and reviewed by staff. Those caseload totals appear reasonable. Staff has included the dollar impact of caseload changes on page 44 of [Exhibit C](#).

Item 3, on page 46 of [Exhibit C](#), indicates the Subcommittee previously approved a Title XX transfer to the grants management unit totaling approximately \$650,000 each year as proposed in budget amendment 10. Staff recommends approval of the budget with the revised caseload projections, the adjustments made by staff and provisions of budget amendment 10.

CHAIR LESLIE:

Given the size of the TANF reserve, I suggest the Subcommittee provide a slight increase in the monthly TANF payments. I asked staff to run projections. These are not the old days when individuals stayed on Welfare forever. The average monthly payment for a three-person family is \$348. Throughout the country, there are Governors and others who are attempting to live on a food stamp budget to identify with those individuals in need. I challenge any of us to begin to think how we would pay for food, clothing and shelter on \$348 monthly.



I asked staff to calculate a slight cost-of-living increase. A 5-percent increase would equal an additional \$17.40 monthly; at 10 percent, it would be \$34.80 and at 15 percent, it would be \$52.20 for a typical family consisting of a mother and two children. The impact on the TANF reserve at 5 percent would be slightly more than \$500,000 in FY 2007-2008 and \$600,000 in FY 2008-2009. At 10 percent, it is \$1 million in the first year and \$1.2 million in the second year. At 15 percent, it would be \$1.5 million the first year and \$1.7 million the second year. My personal choice would be a 15-percent increase, recognizing the fact there has not been an adjustment since 1993. The funds are available. We should keep a significant reserve for situations such as the tragic events of September 11, 2001 (9/11). It is time to recognize \$348 monthly does not begin to cover basic expenses. Individuals have a 5-year limit to receive support through the TANF funds.

CHAIR CEGAVSKE:

When an individual receives the TANF support, what other services are they provided?

MR. KRMPOTIC:

They can receive food stamps, energy assistance, Medicaid, child care and the TANF funds.

CHAIR LESLIE:

The waiting list for subsidized housing in the Reno area is years. Some people do not bother to sign up because of the long wait. The multiple forms of support sounds like a lot, but in reality, the average family who would qualify for all the programs is still left with a significant need.

CHAIR CEGAVSKE:

How will the monthly increase affect the TANF funds? The Subcommittee has already approved other reallocations.

MR. KRMPOTIC:

The TANF reserve is currently projected at \$29 million and could provide for the increase proposed. One situation which might occur is similar to what happened after 9/11 when the reserve was depleted. There was a surge in the TANF caseloads and the Legislature was forced to appropriate General Funds in lieu of the TANF to provide for the TANF caseload projections. Currently, through the next biennium, it appears there are sufficient TANF funds to provide for an increase in the cash assistance payment to families.

CHAIR CEGAVSKE:

How much was in the reserve prior to 9/11 and what was expended?

MR. KRMPOTIC:

It is my understanding the reserve was approximately \$20 million which was depleted. In 2003, the Legislature appropriated General Funds in lieu of the TANF funds to provide for caseload needs during the 2003-2005 biennium.

CHAIR CEGAVSKE:

Do you have the amount of General Fund that was diverted after 9/11?

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MR. KRMPOTIC:

I do not have the information currently available. The Division reverted most of the General Fund appropriation because caseload projections did not materialize.

CHAIR LESLIE:

Caseloads have decreased significantly according to the chart on page 45 of [Exhibit C](#). I recognize a healthy reserve is needed, but at the same time, we cannot predict the future. These families deserve an increase.

CHAIR CEGAVSKE:

I appreciate your comments and I do not disagree. I simply want the Subcommittee to understand the potential ramifications.

ASSEMBLYWOMAN SMITH:

The important consideration here is the fact these individuals qualify for this program. They have not been given an increase since 1993, a very long time. Even if a 15-percent increase is approved, it will not provide a significant increase in the budget of a working family.

SENATOR TITUS:

I agree. I cannot imagine anyone being able to live on \$348 a month. One item not mentioned is the need for child-care assistance. We want these individuals to find jobs.

CHAIR CEGAVSKE:

We could approve all-day kindergarten.

SENATOR TITUS:

I take exception to your comment. I do not consider all-day kindergarten the same as child-care services.

CHAIR CEGAVSKE:

Senator Raggio had to leave the hearing, but he asked the Chair to recommend this consideration be placed on the "add list."

CHAIR LESLIE:

We are discussing the TANF funding. The "add list," in my mind, is for things we are looking for a way to fund.

I overheard Senator Raggio say this is the first time an increase has been discussed. I take exception to his comment. It has been discussed in the hearings several times. I thought today was the day to make a decision. I request the Chair's indulgence to allow the Assembly to make a motion.

SENATOR MATHEWS:

I agree with Chair Leslie. I would like to hear Senator Titus's comments.

SENATOR TITUS:

When assistance programs are listed, they sound impressive, but they leave out so many day-to-day expenses. Day care is a large expense for families when the parent(s) are trying to reenter the workforce. They cannot answer help wanted

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advertisements or attend NEON sessions if there is no one to care for the children.

SENATOR MATHEWS:

My only other comment would be, that is the situation for those individuals who are fortunate enough to have transportation and money for gasoline and a safe environment to leave their children and seek employment.

CHAIR CEGAVSKE:

I would like the Senate to respectfully hold their vote on this matter until Senator Raggio has an opportunity to vote on the matter as we did earlier today for Senator Titus. I do not disagree with the request. I will allow the Assembly to make a motion.

ASSEMBLYWOMAN LESLIE MADE AN ASSEMBLY ONLY MOTION TO RECOMMEND TO THE FULL ASSEMBLY COMMITTEE TO APPROVE A 15-PERCENT INCREASE IN THE TANF CASH ASSISTANCE PAYMENTS USING THE TANF RESERVE FUNDS IN THE AMOUNT OF \$1,525,110 IN FY 2007-2008 AND \$1,765,575 IN FY 2008-2009.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLYWOMAN GANSERT:

I am not necessarily opposed to the increase, but I would favor holding this item at this time and will vote no on the motion.

ASSEMBLYMAN DENIS:

I work with some of the families as they struggle with their monthly limitations. One other consideration is if these additional funds are made available to families, they do not have to spend time requesting assistance from nonprofit organizations and others. The money provided from nonprofits to these families would then be available for other needs.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMEN GANSERT AND WEBER VOTED NO.)

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CHAIR CEGAVSKE:

The Senate will hold their vote until Senator Raggio is available. Is there a motion for the other items in this budget?

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3230 AS RECOMMENDED BY STAFF WITH THE REVISED CASELOADS AND THE TITLE XX TRANSFER.

CHAIR CEGAVSKE:

Does the separate Assembly motion need to be included in this motion?

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MR. KRMPOTIC:

Staff would recommend the budget be closed as it currently appears; and for the Assembly, the Committee closing would add the 15-percent monthly increase.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED INCLUDING THE SEPARATE ASSEMBLY VOTE FOR A 15-PERCENT INCREASE. (ASSEMBLYWOMAN BUCKLEY WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED. (SENATOR RAGGIO WAS ABSENT FOR THE VOTE.)

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MR. KRMPOTIC:

The next budget account is 101-3238.

Welfare - Child Support Enforcement Program – Budget Page WELFARE-27  
(Volume II)

Budget Account 101-3238

There are three issues involved in this account. The first issue is the Child Support Enforcement Fee required under the DRA on child-support enforcement cases. The Governor recommends a \$25 fee charged to custodial parents. Decision unit M-592 includes additional funding to recognize the revenues collected from custodial parents.

M-592 Deficit Reduction Act of 2005 – Page WELFARE-29

Implementation of the \$25 fee was proposed in A.B. 596 and includes collection of the fee from the custodial parent.

**ASSEMBLY BILL 596 (1st Reprint)**: Makes certain changes to provisions concerning obligations of support for a child. (BDR 11-1411)

The bill has been amended and proposes to collect the \$25 fee from a noncustodial parent. The bill has been referred to the Assembly Committee on Ways and Means for further consideration.

The Division indicates the recovery method, as amended in A.B. 596, requires billing the noncustodial parent, developing an accounts receivable system and adding staff and operating expenses. The Division also indicates its collection of the \$25 fee may be impacted by attempting collection from noncustodial parents living outside Nevada. More than 12,000 cases are being enforced by other states because the noncustodial parent does not live in Nevada. The states are not required to collect the child-support program fees on behalf of other states. The Division anticipates the bill could impact the overall level of program fees collected.

The Division has estimated the fiscal impact of the amended version of A.B. 596 would result in a reduction of collections required by the State totaling slightly more than \$400,000 each year. The reduction is based on the Division's assumption it will be unable to collect the fee from noncustodial parents living outside Nevada, and a portion of noncustodial parents inside Nevada would not pay the fee.

In its fiscal note, the Division assumes a portion of the cost incurred by the State would be funded with General Fund appropriations. General Funds have never been appropriated or used in the Child Support Enforcement budget. Staff notes it appears the projected reserve of approximately \$1.9 million in the Child Support Enforcement account, as recommended by the Governor, removes decision unit M-592, as it currently appears. The reserve could support the State's share of expenses under the amended version of A.B. 596. However, staff is concerned about the ability of the program to sustain additional expenses beyond the 2007-2009 biennium.

If A.B. 596 is passed as amended, the Child Support Enforcement account, as recommended by the Governor, would require modification to reflect the change in approach for collection of the \$25 fee.

If the Subcommittee wishes to support the amended version of A.B. 596, does it wish to fund the cost of implementation of the bill with collections retained in the Child Support Enforcement budget?

CHAIR LESLIE:

We have been struggling with A.B. 596 in the Assembly Committee on Ways and Means. I do not know how we cannot charge the custodial parent the fee. When I look at the cost, I think of how else \$400,000 could be spent.

CHAIR CEGAVSKE:

I concur.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3238 AS RECOMMENDED BY THE GOVERNOR INCLUDING A \$25 FEE CHARGED TO THE CUSTODIAL PARENT.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED. (SENATOR RAGGIO WAS ABSENT FOR THE VOTE.)

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MR. KRMPOTIC:

A performance audit was completed on the Child Support Enforcement account. There are no specific decision units recommended by the Governor to implement the audit recommendations.

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Staff has included a summary of the recommendations with the agency's response concerning the costs of the recommendations on page 51 of [Exhibit C](#). They are also listed on page 49 of [Exhibit C](#). The agency has provided information to staff addressing each of the recommendations.

Staff and the agency have explored the potential for implementation of recommendations from the audit which results in a fiscal impact. The agency has provided a response identifying the potential implementation of five recommendations listed in the bullet points in the lower half of page 49 in [Exhibit C](#). They are in order of agency priority to accomplish the most for the program.

The priorities include hiring a contractor to assist with reporting requirements included in [A.B. 536 \(1st Reprint\)](#).

**[ASSEMBLY BILL 536 \(1st Reprint\)](#)**: Requires certain reports to be submitted to the 75th Session of the Nevada Legislature regarding the status of certain recommendations concerning child support enforcement. (BDR S-1405)

Staff has included funding amounts representing use of the State's share of collections included in the Child Support Enforcement budget. The remaining portion of these recommendations would be funded with federal Child Support Enforcement reimbursements.

The second priority is hiring a contract facilitator at a cost to the State of \$850.

The remainder is providing comprehensive training through the addition of one additional training position at a State cost of \$20,000; improving document handling by contracting with a vendor to implement document imaging at a State cost of \$725,425 in FY 2007-2008 and ongoing costs of \$173,465; and issuance of more robust reports requiring programming efforts at a State cost of \$1,044,018 in FY 2008-2009.

Staff notes the request to replace the NOMADS software is being addressed through [A.B. 609](#). The bill includes a General Fund appropriation request of \$350,000.

**[ASSEMBLY BILL 609](#)**: Makes an appropriation to the Division of Welfare and Supportive Services of the Department of Health and Human Services for a feasibility study of the NOMADS software application. (BDR S-1476)

Does the Subcommittee wish to approve funding enabling the Division to implement the recommendations?

ASSEMBLYMAN DENIS:

Please clarify the cost of the NOMADS software replacement. Is the actual request for \$350,000?

MR. KRMPOTIC:

The correct amount is \$350,000.

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CHAIR CEGAVSKE:

In my review with staff, and considering the five priorities, I cannot support all five priority recommendations. I suggest the Division pick one or two critical items for the Subcommittee to consider.

NANCY K. FORD (Administrator, Division of Welfare and Supportive Services, Department of Health and Human Services):

Currently, the most pressing needs are implementation of priorities 1 and 2. They are not high-cost items; however, we need contract services to assist with the study. The report would review the MAXIMUS report and make recommendations to the next Legislative Session as necessary. The report must include restructuring the program and a variety of issues.

The Division wishes to hire a contractor to help with the study to ensure all aspects are reviewed, make staff assignments, ensure assignments are completed and the report is drafted. Our current staff is fully engaged, making it difficult to take on the additional responsibility.

Priorities 1 and 2 could be completed through approach to the IFC if necessary; however, if they were approved in advance, we would not need to wait to approach the IFC.

The third priority is to add a training position. There is currently one trainer for the Child Support Enforcement program. One of the audit recommendations was to develop a solid training component. Our request is to be authorized to complete the first three priorities.

CHAIR LESLIE:

I am conflicted. I feel we are not doing enough. I would like to see us be more aggressive in implementation of the audit recommendations. At the same time, I understand Ms. Ford's requests. I concur with the Chair's recommendation to approve priorities 1 and 2 and ask the Division to approach the IFC as they work through the issues.

I do not believe the provision in priority 5 is thorough enough to warrant approval. We must make some improvements.

MS. FORD:

The Division has a task force in place reviewing all reports generated. We are deleting reports that are unnecessary, recognizing required reports and identifying those reports that need augmentation. We request the opportunity to approach the IFC in the interim as the State's share of collections is received. Most of our collections are received as Internal Revenue Service intercepts, arriving at the end of the fiscal year rather than in the beginning.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE PRIORITIES 1 AND 2 AND DIRECT TO THE AGENCY TO APPROACH THE IFC AS COLLECTIONS ARE RECEIVED TO SUGGEST OTHER ITEMS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED. (SENATOR RAGGIO WAS ABSENT FOR THE VOTE.)

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MR. KRMPOTIC:

Decision unit E-326 requests a new position to establish a delinquency unit.

E-326 Services at Level Closest to People – Page WELFARE-30

Staff was originally concerned about a long-term vacant position in this account based on a review of the State Data Warehouse. Based on further information from the Division, it plans to implement an employment and training program for noncustodial parents in northern Nevada to assist them in seeking employment and continuing the payment of child support. Staff has no issues with the recommendation.

Staff recommends approval of other closing items in E-325 and E-710.

E-325 Services at Level Closest to People – Page WELFARE-30

E-326 Services at Level Closest to People – Page WELFARE-30

E-710 Replacement Equipment – Page WELFARE-31

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE THE REMAINDER OF BUDGET ACCOUNT 101-3238 AS RECOMMENDED BY STAFF, APPROVING THE NEW POSITION FOR THE DELINQUENCY UNIT, AND OTHER CLOSING ITEMS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED. (SENATOR RAGGIO WAS ABSENT FOR THE VOTE.)

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MR. KRMPOTIC:

The next account is B/A 101-3239.

Welfare - Child Support Federal Reimbursement – Budget Page WELFARE-34  
(Volume II)

Budget Account 101-3239

This is a pass-through account used by the agency. Staff recommends closing this budget as recommended by the Governor.



ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3239 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED. (SENATOR RAGGIO WAS ABSENT FOR THE VOTE.)

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MR. KRMPOTIC:  
The next budget account is 101-3232.

Welfare - Assistance to Aged and Blind – Budget Page WELFARE-37 (Volume II)  
Budget Account 101-3232

Staff has asked for information from the agency regarding the revised caseload projections. Based on those caseload projections, it appears an increase in the General Fund appropriation is required to meet the projected caseloads over the next biennium.

Originally, the agency reported higher caseload projections than what would be required for the next biennium to pay not only for caseload increases, but also estimated increases in the average payments on each case. The agency reports it is working with the federal agency to address current billing issues. The Division believes the issue of justifying additional budget requests to increase average payments for each case has not yet been resolved. Therefore, staff recommends increases in the General Fund appropriation of \$19,928 in FY 2007-2008 and \$57,894 in FY 2008-2009 to provide for caseload increases in this budget account.

The agency has the ability to transfer appropriations between fiscal years if amounts received are higher than projected. Therefore, if a shortfall occurs in FY 2007-2008, a portion of the FY 2008-2009 appropriation could be transferred to FY 2007-2008; and if necessary, the agency could seek a supplemental appropriation in FY 2008-2009.

In the past, the Subcommittee approved a letter of intent requiring the Division to report to the IFC on its implementation of Supplemental Security Income (SSI) cost-of-living increases. Staff has presented those costs as an item for consideration in the next biennium.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO APPROVE BUDGET ACCOUNT 101-3232 AS RECOMMENDED BY STAFF WITH A LETTER OF INTENT AND THE REVISED CASELOADS.

SENATOR MATHEWS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED. (SENATOR RAGGIO WAS ABSENT FOR THE VOTE.)

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CHAIR CEGAVSKE:  
The Subcommittee will now consider B/A 101-3267.

Welfare - Child Assistance and Development – Budget Page WELFARE-39  
(Volume II)  
Budget Account 101-3267

MR. KRMPOTIC:  
Staff has made minor adjustments to this budget account to correct the reflection of the federal funds balance forward. Otherwise, staff recommends closing this budget as recommended by the Governor.

ASSEMBLYWOMAN GANSERT MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-3267 AS RECOMMENDED BY THE GOVERNOR WITH STAFF'S TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED. (SENATOR RAGGIO WAS ABSENT FOR THE VOTE.)

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CHAIR CEGAVSKE:  
The Subcommittee will now consider B/A 101-4862.

Welfare - Energy Assistance Program – Budget Page WELFARE-43  
(Volume II)  
Budget Account 101-4862

MR. KRMPOTIC:  
This budget account necessitates two decisions. The first involves the addition of six positions to replace contract positions performing case processing for the program. The agency reports it has 23 contract positions currently.

E-250 Working Environment and Wage – Page WELFARE-45

Decision unit E-250 would convert six contract positions to six FTE State positions. Funding would remain for 17 contract positions over the next

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biennium. That would allow the agency to adjust the staffing levels based on the level of applications received. Staff has no issues with that decision.

The second issue is increased client payments in decision unit E-325.

E-325 Services at Level Closest to People – Page WELFARE-46

Increased client payments are recommended by the Governor to permit the agency to continue client payments at the projected levels over the next biennium.

E-251 Working Environment and Wage – Page WELFARE-45

This decision unit includes travel by the program manager and staff to Washington, D.C., and in-state travel to allow the program manager to meet with advocates.

E-710 Replacement Equipment – Page WELFARE-46

Decision unit E-710 includes replacement equipment. Staff recommends approval of those decision units and requests approval to make technical adjustments as necessary.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE BUDGET ACCOUNT 101-4862 AS RECOMMENDED BY STAFF; INCLUDING INCREASED CLIENT PAYMENTS, OTHER CLOSING ITEMS AND AUTHORIZING TECHNICAL ADJUSTMENTS AS NEEDED.

ASSEMBLYWOMAN WEBER SECONDED THE MOTION.

SENATOR TITUS:

There has been testimony that funding for this budget is declining and will not be available in 2010 and beyond. I have had concerns about the focus of this program. We help individuals pay their power bill, but do little to assist in reducing the energy needs. At one time, I thought it was a good idea to subsidize renewable-energy hot water heaters or weatherization projects. We may want to rethink the focus of the program as funds dwindle.

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

SENATE: THE MOTION CARRIED. (SENATOR RAGGIO WAS ABSENT FOR THE VOTE.)

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CHAIR CEGAVSKE:  
The Subcommittee thanks staff for their efforts in closing these budget accounts. We are adjourned at 11:03 a.m.

RESPECTFULLY SUBMITTED:

\_\_\_\_\_  
Cynthia Clampitt,  
Committee Secretary

APPROVED BY:

\_\_\_\_\_  
Senator Barbara K. Cegavske, Chair

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

\_\_\_\_\_  
Assemblywoman Sheila Leslie, Chair

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