

**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
April 19, 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 7:37 a.m. on Thursday, April 19, 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
Rick Combs, Program Analyst
Laura Freed, Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Mark Krmpotic, Senior Program Analyst
Sandra K. Small, Committee Secretary

OTHERS PRESENT:

Thomas D. Morton, Director, Department of Family Services, Clark County
Diane Comeaux, Deputy Administrator, Support Services, Division of Child and Family Services, Department of Health and Human Services
Jim Dolian, Ph.D., Manager of Administrative Services, Department of Family Services, Clark County
Michael Capello, Director, Department of Social Services, Washoe County
Alexander Haartz, M.P.H., Administrator, Health Division, Department of Health and Human Services
Amy Roukie, Administrative Service Officer, Health Division, Department of Health and Human Services
Charles Duarte, Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services

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Carlos Brandenburg, Ph.D., Administrator, Division of Mental Health and
Developmental Services, Department of Health and Human Services
Jim Johns, Deputy Chief of Police, Reno Police Department
Patrick O'Bryan, Officer, Reno Police Department
Jan Gilbert, Progressive Leadership Alliance of Nevada

CHAIR CEGAUSKE:

The Subcommittee will begin this work session with budget account (B/A) 101-3142, Clark County Integration. We would like to have information on caseloads. Why should the State fund additional positions to reduce the caseload ratio for the back-end positions to less than the 1:22 ratio approved by the 2005 Legislature?

HUMAN SERVICES

CHILD AND FAMILY SERVICES

HHS - Clark County Integration – Budget Page DCFS-28 (Volume II)
Budget Account 101-3142

THOMAS D. MORTON (Director, Department of Family Services, Clark County):

The family support workers are not intended to perform case management roles. The actual case management function would be performed by family service specialists I and II. The intent of the family support workers is to assist with lower-paid professional personnel with time-consuming tasks which currently prevent them from spending time in arranging and supporting services for families. These tasks include transportation of children to mental-health and medical appointments and supporting monthly contact visitation with children in foster care. As you are probably aware, unlike in-home services, the case manager is responsible for direct work in support of foster care placement and also direct work in support of the parents' efforts to make necessary changes to enable reunification. We envision the family support workers as professional support staff to the case managers. That will allow the case managers to focus intensely on the case management efforts on behalf of reunification and permanency.

CHAIR CEGAUSKE:

Would you give us some information about the caseload ratio and the funding for the front-end positions?

MR. MORTON:

The front-end positions in Clark County are funded at a high ratio. The current ratio is 1:59 children. There are 25 positions in our State budget which were pre-funded by Clark County in anticipation of the State funding the positions. These are licensing foster parent training positions and foster parent liaison positions. Those positions, if funded by the Legislature for the back end July 1, would be converted by Clark County to family service specialist positions, to lower the front-end ratio to 1:22, which would match the State funding ratio for the back end.

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CHAIR CEGAVSKE:

How many County front-end positions do you think would be required to reduce the blended caseload for caseworkers to the 1:22 ratio the State funds?

MR. MORTON:

Approximately 22 family service positions are needed. It is my intent, on July 1, 2007, when we have a reconfigured staffing plan, to segregate in-home family service caseloads from out-of-home family caseloads and move away from the blended pattern used in the past.

CHAIR CEGAVSKE:

Can the duties recommended to be provided by the family support workers be performed by caseworkers, if their blended caseloads are reduced to the 1:22 ratio, without adding more positions?

MR. MORTON:

Are you referring to the back end where we are requesting the family support workers?

CHAIR CEGAVSKE:

Yes.

MR. MORTON:

We do not see this as reducing caseload. We do not see the family support workers as carrying case management responsibilities. We have experienced a significant increase in court responsibilities for our family service specialists with calendar calls and other activities. These workers are spending as much as 40 percent of their time on court-related activities which is taking time away from direct services to families. We see the family support workers as support to the case manager, enabling them to ensure certain well-being needs of children are met. The workload has increased substantially in other areas of responsibility.

CHAIR LESLIE:

What are you going to do on July 1? You mentioned getting away from the blended and separating caseloads. I think that is a good idea. What will the caseloads be for in-home and out-of-home services?

MR. MORTON:

From a funding perspective, they would be virtually identical. The front end would be funded at 1:22 children and the back end would be funded at 1:22. Due to the vacancy factor, actual caseloads may be around 25 or 26 children as cases will be spread over available workers. On the back end, the Legislature grants us the positions after we acquire the children. If we experience caseload growth, we approach the Interim Finance Committee (IFC) to request additional positions.

CHAIR LESLIE:

Why are you doing this?

MR. MORTON:

There are several reasons. We have found the supervisors are having difficulty supervising both programs. The responsibilities are different in regard to case management for children in foster care versus in home. The visitation requirements for in-home cases should be higher for out-of-home cases because the child is residing in the home with the substantiated perpetrator of the maltreatment. My predecessor believed children should not have changes in caseworkers. I do not observe that we have a significant transition of children from open in-home cases to out-of-home care. We can configure a more solid family preservation front-end program if we have workers who are specialists. One of my primary concerns is ensuring we have sufficient contact with in-home children to ensure their safety is adequately monitored.

CHAIR LESLIE:

How do the family support workers relate to the split of the caseload?

MR. MORTON:

The requested family support workers would primarily support the out-of-home care caseload. I have requested, from the Clark County Board of Commissioners, other purchase-of-service money for a variety of services to include in-home parent aides, homemakers, and so forth, to support the in-home caseload. The family support caseworkers would be used exclusively for the out-of-home caseload needs.

CHAIR LESLIE:

Do you anticipate the County Commissioners funding the other services?

MR. MORTON:

I am hopeful. Commissioner Rory Reid has made a number of statements indicating the Commission is supportive of what we have committed to do in our youth law center agreement. I was at the budget advance a couple of weeks ago. We have our own version of caps. In this case, we are running up against the Voters' Bill of Rights. The supplemental funds available in Clark County are not huge.

SENATOR RAGGIO:

What are we being asked to fund? With the budget amendments, particularly with respect to budget cuts, this budget is unclear to me. Are we continuing with a proportionate support in Clark County for this integration? Is the County funding the front-end positions at the same level as the State is being asked to fund, and has consistently funded, the back end?

MR. MORTON:

In terms of the caseload ratio, the current funding is not 1:22; it is 1:59. Members of the Clark County Board of Commissioners have made a commitment to me. If the 25 positions included in the State budget for licensing, training, and recruitment staff in anticipation of State funding, which Clark County pre-funded last January 1, are approved by the Legislature, the permanent 25 positions will be converted to bring the in-home caseload down to match the State ratio of 1:22. Effective July 1, 2007, in our FY 2007-2008 budget, Clark County would be funding caseloads at the same ratio as the State.

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DIANE COMEAUX (Deputy Administrator, Support Services, Division of Child and Family Services, Department of Health and Human Services):
When you look at the General Fund from both the county and State for FY 2006-2007, we are actually fairly close in the amount of General Funds put into these budgets. Does that answer your question?

SENATOR RAGGIO:
I do not think so. I know we are still working on a future funding plan.

Ms. COMEAUX:
Yes, we are.

SENATOR RAGGIO:
When do you think that will occur?

Ms. COMEAUX:
We are attempting to have it done within the next two weeks. We just completed an inventory of all of the services everyone is providing.

SENATOR RAGGIO:
I understand what you have said. I am still unclear. If the State does this, what is Clark County going to do? I thought you said Clark County will reduce the ratio. I will ask staff for clarification.

CHAIR CEGAUSKE:
The discussion will move to Emergency Shelter Care. Clark County has projected an 8-percent caseload increase in Emergency Shelter Care with additional costs of \$1.2 million in FY 2007-2008 and \$1.4 million in FY 2008-2009. Is the change in calculation methods driving the dramatic increase in the cost? The base funding for long-term foster care is \$125 each day. This rate reflects a lower average daily rate for this service of \$43.35 each day.

M-205 Demographics/Caseload Changes – Page DCFS-29

JIM DOLIAN, PH.D. (Manager of Administrative Services, Department of Family Services, Clark County):
When children disrupt in foster care, in the back end, we have the option of serving them, on an emergency basis, in either an emergency shelter care in a community-based home or at Child Haven. In the past, we have not recovered the cost associated with disruptive placements while the child is in a County-funded facility. We are, in effect, changing the calculation to more accurately reflect the true cost of serving disruptive children in foster-care placement.

CHAIR CEGAUSKE:
Does the recommended amount for shelter care represent children receiving back-end or front-end services, or is it all included?

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DR. DOLIAN:

No; they are children who disrupt in foster care which is a back-end service. We serve them either in a community-based shelter home, emergency shelter home or at Child Haven.

On any given day, about 20 percent of the children, either in Child Haven or in emergency homes in the community, are disruptive placements for one reason or another; they are back-end children; children in foster care.

CHAIR CEGAVSKE:

The Subcommittee will move to a discussion on adoption subsidy amounts in this budget. Clark County and Washoe County use different adoption subsidy rates. Are you looking for a standard rate for the State?

DR. DOLIAN:

Clark County negotiates with each foster parent planning to adopt a child. We are finding, particularly given the special needs of most of our children, foster parents are not willing to accept, in terms of a subsidy, less than they were getting when the child was in foster care. Rather than creating problems with our foster families planning to adopt, we will give them whatever they were receiving as foster parents. If we were to aggressively try to negotiate these rates with foster parents, it would lead to a strained relationship between the Department and the foster parents. It may disrupt the potential adoptive placement.

CHAIR CEGAVSKE:

What is Washoe County doing that Clark County is not?

DR. DOLIAN:

Washoe County is negotiating with foster parents each year and negotiating more aggressively to reduce the amount of the subsidy.

CHAIR CEGAVSKE:

If it works for Washoe County, why not use it in other parts of the State?

DR. DOLIAN:

I am not in a position to comment on why it does or does not work in Washoe County. Finding good foster homes in Clark County is a difficult task. It does not make good sense to discourage potential adoptive parents.

CHAIR CEGAVSKE:

I understand, but would it be better to have a State standard? If it is successful in one part of the State, why not in other parts of the State?

MICHAEL CAPELLO (Director, Department of Social Services, Washoe County):

We have a staff person who is a skilled mediator and a social worker. Her skills contribute to the success of negotiating. The Washoe County foster care rate is \$30 each day. We talk with foster-care parents, as they come into the system and are trained, about the adoption subsidy process. The Subcommittee has been provided with a graph titled "Available Beds in Washoe County" ([Exhibit C](#)).

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CHAIR CEGAVSKE:

They are being educated right away.

MR. CAPELLO:

That is correct. We let them know there is not a relationship between the foster-care subsidy and the adoption subsidy. Everyone said we would have to pay \$900 each month in adoption subsidies when we decided to pay \$30 each day for foster care. It is a disincentive to adopt if a foster parent receives a higher subsidy. We have educated the foster parent to understand there is not a correlation between the foster-parent subsidy and the adoptive-parent subsidy. Each case is taken on its own merits considering the needs of the child and the ability of the foster parents to meet those needs. From a budget perspective, having an average across the State may be helpful. Federal law does not allow a set standard. The law requires negotiation to the needs of the child and the foster parent.

CHAIR LESLIE:

If Clark County is paying the maximum every time, how is that a negotiation?

DR. DOLIAN:

We have a large caseload and one subsidized adoption worker. An annual renegotiation is not possible.

CHAIR LESLIE:

Is it a staffing problem?

DR. DOLIAN:

In part, it is a staffing problem. It is also a philosophical problem. We believe the payment received by a foster parent is reasonable.

CHAIR LESLIE:

There is no negotiation. Has the federal government looked at this situation?

MS. COMEAUX:

The federal government has not looked closely at the adoption subsidies.

ASSEMBLYWOMAN BUCKLEY:

Has a hearing process been put in place for prospective adoptive parents who are dissatisfied with the process or how they are being treated with regard to adoption subsidies? It is required by federal law. The State had a process in place before the counties took over the program.

MR. MORTON:

I do not have the details with me, but it is in process. I will provide the information.

CHAIR CEGAVSKE:

If there is a study during the interim in this area, the negotiation process should be included.

The Subcommittee will hear E-328 in B/A 101-3141 regarding additional family preservation unit staff. Would you provide information about the State-funded

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positions, how they are used to provide front-end services and if that is the intent for the three additional positions?

HHS - Washoe County Integration – Budget Page DCFS-35 (Volume II)
Budget Account 101-3141

E-328 - Services at Level Closest to People – Page DCFS-38

MR. CAPELLO:

We are trying to expand our ability to serve a wider group of families at the beginning of the system. We have slowly been able to build the family preservation unit since integration. At the point of integration, the program came over with one supervisor and one clinician. We have been working on expanding the capacity of family preservation. The unit is able to serve the most high-risk families on an in-home basis and prevent them from coming into the foster-care system. About 90 percent of the children we serve are maintained safely at home. This request will enable us to expand part of our service-delivery system and serve additional families.

CHAIR CEGAUSKE:

We will move the discussion to decision unit E-327, the foster care daily rate. Would you provide the Subcommittee with justification for the increase in the State's current daily rate of \$21 which is approximately 30 percent higher than the 2006 nationwide average of \$16.20 daily? Do you anticipate a budget reduction in this area?

MS. COMEAUX:

Washoe County pays \$30 daily for foster care. Washoe County has greater success in recruiting and retaining foster homes. If we increase the rate, the rural areas and Clark County will be better able to retain foster homes. The actual cost to raise a child has also been reviewed. The \$28 daily rate is closer to the actual cost.

CHAIR CEGAUSKE:

Do you anticipate any budget reductions in this area?

MS. COMEAUX:

No.

MR. MORTON:

According to the National Foster Parent Association, the average foster care board rates across the country are lower than the actual cost of raising children and the cost incurred by foster parents. We may be higher than the average, but that does not mean the funding is sufficient to raise children. In Clark County, our hope is to create differential tiered rates to provide incentives for families to take certain kinds of children. We are making good-faith efforts to place siblings together. Those who stay longest at Child Haven are members of sibling groups and medically-needy children. We will soon start a special wraparound program for medically-needy children. The opportunity cost incurred by families caring for children with these kinds of needs, who do not qualify for the medically fragile rate but do have exceptional needs, is another consideration. We have, in our commitment agreement with the Youth Law Center, agreed to work toward the

goal of no more than one child under the age of two in a foster home at any given time. State law and the *Nevada Administrative Code* permit two children under the age of 18 months. This creates additional economies-of-scale issues for those children. The increase in rates will allow us to implement a differential rate structure. I have asked for additional County funds to supplement the foster-care rate. I do not know if Clark County will grant that request.

CHAIR LESLIE:

If we approve this budget enhancement, and you get the additional funds from Clark County, will you be paying more than Washoe County?

MR. MORTON:

We will not be paying more than Washoe County; we will average less. We might have the base rate of \$21 and provide a rate of \$25 for each sibling and an enhanced rate as high as \$30 or more for a single infant under the age of two who is medically needy.

CHAIR LESLIE:

Would Clark County be the first in the State to have a tiered system?

MR. MORTON:

I am not familiar with all parts of the State. We have not worked out the details yet.

CHAIR LESLIE:

This is another issue to look at during the interim.

ASSEMBLYWOMAN BUCKLEY:

Do we have an estimate of how many children with more than five siblings are in need of a home? I have heard of families with eight and nine children; who has room for this many children? A special program, incentive rates or a special home is needed; we have to do something out-of-the-box. Has any progress been made in dealing with large families coming into foster care?

MR. MORTON:

We have made some progress with special contractual arrangements for sibling groups. We have not made a large dent in this area. One of the issues for sibling groups of six or more is the licensing standard of no more than six children in a foster home. There is a program in Florida that hires foster parents and gives them houses to care for large sibling groups. Our best strategy so far for large sibling groups has been relatives. This is a challenge. I will provide accurate figures on the number of sibling groups of five or more.

ASSEMBLYWOMAN BUCKLEY:

Are the licensing impediments State or federal law?

MR. MORTON:

It is my understanding it is a State law; federal law also limits foster homes to six or fewer children.

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CHAIR CEGAVSKE:

These are good issues for us to discuss during the interim. I have personal experience with a foster child with eight siblings. All were put in different homes. It is traumatic.

CHAIR LESLIE:

I would like more information regarding integration. When we integrated, the Legislature provided funds to replace the attorneys general who represented the agency in child welfare cases. My understanding is the district attorneys' offices in both Clark and Washoe Counties are now representing the agency. Are there issues because the district attorney represents the public and the public's interest can differ from the agency's interest? Is this really happening and why? What do we need to do to make sure the State's interests are being represented?

MR. MORTON:

It does happen. In the majority of cases, the agency is aligned with the position of the district attorney. The district attorney interprets its role from the *Nevada Revised Statutes* (NRS) which states the district attorney shall countersign every petition alleging need of protection and shall represent the interest of the public in all proceedings. It is the district attorneys' interpretation they represent the public interests. This does not appear to be a statement of the attorney/client relationship as defined in NRS 432B.

CHAIR LESLIE:

I thought you represented the public.

MR. MORTON:

At some level we do represent the public interest. As far as legal representation in court, the statutory language suggests the district attorney's client in court is not the Division of Child and Family Services.

CHAIR LESLIE:

Who represents the Division when there is a difference of opinion?

MR. MORTON:

As a practical matter, no one represents the Division other than the caseworker. In certain circumstances, where we have the opportunity to plan, the civil district attorney may represent us in certain types of cases. When we go into court, we go in without our own representation.

CHAIR LESLIE:

Is that the way it works in Washoe County?

MR. CAPELLO:

The attitude about this issue seems to vary depending upon the district attorney administration. We have, from time to time, had administrations who emphasize that more than others. Mr. Richard Gammick's administration has not emphasized that. When the individual district attorney disagrees with a recommendation from the Division, the situation is elevated internally to be resolved outside the courtroom. Since Mr. Gammick has been the district attorney, it has not been the issue for us as it has been in prior administrations.

CHAIR LESLIE:

I would like Clark County to provide information regarding the number of times the County is not represented by the district attorney and what the potential options may be. Why would we use State funds for legal representation that does not provide legal representation? I will talk to the Clark County district attorney's office about their interpretation.

MR. MORTON:

I will provide the Subcommittee and staff with the information.

CHAIR CEGAUSKE:

The Subcommittee has received a copy of Closing List #4 ([Exhibit D](#), original is on file in the Research Library). We will begin with B/A 101-3223, Office of Health Administration.

HUMAN SERVICES

HEALTH

HHS - Office of Health Administration – Budget Page HEALTH-1 (Volume II) Budget Account 101-3223

LAURA FREED (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The Health Administration budget is covered on pages 1 through 4 of [Exhibit D](#). The major closing issue in the budget for the Office of Health Administration is position eliminations in the Base Budget due to the elimination of fee increases. The Subcommittee is aware the Budget Division has submitted an amendment to eliminate fee increases in the Radiological Health, Cancer Control Registry, Consumer Health Protection and Health Facilities Hospital Licensing budgets. As a result of fee eliminations, the budget for the Office of Health Administration would lose cost allocation revenue. They have cut 2.02 full-time equivalent (FTE) positions as a result of the budget amendments. Those positions are two part-time personnel technicians and one information systems specialist. Staff recommends deferring consideration of this budget until the Subcommittee has considered the Radiological Health, Cancer Control Registry, Consumer Health Protection and Health Facilities budgets.

Information on the Office of Minority Health, B/A 101-3204, is on pages 5 and 6 of [Exhibit D](#). The major closing issue in this budget account is the addition of ongoing General Fund support. General Fund support for this budget account was approved pursuant to A.B. No. 580 of the 73rd Legislative Session. The support was a onetime appropriation. The *Executive Budget* recommends reinstatement and continuation of General Fund support in the amount of \$122,101 in FY 2007-2008 and \$128,871 in FY 2008-2009. Does the Subcommittee wish to approve ongoing General Fund appropriations to support the Health Program manager position and various operating expenses?

The other closing item in this budget is the performance indicators. At the budget hearing, there was discussion about the one performance indicator in this budget. The Division has supplied some suggested performance indicators and staff recommends that a letter of intent be issued requiring the

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Office of Minority Health to develop outcome measures of their efforts in advance of the next budget process and that those new measures be included in the 2009-2011 *Executive Budget*.

HHS - Office of Minority Health – Budget Page HEALTH-8 (Volume II)
Budget Account 101-3204

CHAIR LESLIE:

I would like the Subcommittee to consider the staff recommendation about performance indicators. A letter of intent requiring quarterly progress reports to the IFC will keep us informed.

CHAIR CEGAVSKE:

The office should work with staff to establish performance indicators.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE B/A 101-3204 WITH THE GOVERNOR'S RECOMMENDATIONS FOR ONGOING GENERAL FUND SUPPORT; TO REQUIRE THE OFFICE OF MINORITY HEALTH TO REVISE THEIR OUTCOME MEASURES IN CONJUNCTION WITH STAFF AND INCLUDE THE REVISED PERFORMANCE INDICATORS IN THE 2009-2011 BIENNIAL BUDGET; AND TO REQUIRE A LETTER OF INTENT FOR QUARTERLY PROGRESS REPORTS.

SENATOR TITUS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. FREED:

The closing items for the Health Division Special Appropriations budget, B/A 101-3225, are on pages 7 and 8 of [Exhibit D](#). The one major closing issue in this budget is ongoing General Fund support for a poison control call center. The IFC approved a Contingency Fund allocation of \$227,500 to support poison control call center services through February 28, 2007. A supplemental appropriation was made in A.B. 199 to fund poison control services for the balance of the fiscal year. The Governor originally recommended this budget be appropriated \$480,900 in FY 2007-2008 and \$504,945 in FY 2008-2009 to pay for a statewide poison control call center contract.

HHS - Health Division Special Appropriations – Budget Page HEALTH-12
(Volume II)
Budget Account 101-3225

ASSEMBLY BILL 199: Makes a supplemental appropriation to the Office of Health Administration of the Department of Health and Human Services to fund Poison Control Call Centers. (BDR S-1253)

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There was discussion of having one vendor for the entire State. The Division has gone through a Request for Proposal (RFP) process and has selected Rocky Mountain Poison Center of Denver, Colorado, to provide statewide poison control services beginning in FY 2007-2008. The negotiated contract price is lower than the budgeted amount. The new annual cost for poison control call center services is \$363,930 in FY 2007-2008 and \$402,109 in FY 2008-2009. Does the Subcommittee wish to fund basic poison control call center services with General Fund appropriations? This would be an ongoing obligation of the General Fund.

The Health Division has expressed an interest in budgeting Health Resources and Services Administration (HRSA) Hospital Preparedness funding for expanded poison control in the same account as the General Fund appropriations for basic poison control if they are approved. If that is approved, staff recommends the establishment of two new categories in B/A 101-3223; one for basic poison control with General Funds and one for HRSA Hospital Preparedness, where the expanded poison control funding would reside.

CHAIR CEGAVSKE:

Is it possible to have a link to the poison control telephone number when an individual calls 2-1-1 with poison control issues?

ASSEMBLYWOMAN SMITH:

In working with that group, it appears to be a given, when the resource database is updated, a direct connection will be included.

CHAIR CEGAVSKE:

The 2-1-1 staff does not have the staff or the expertise to perform the same functions as the poison control people.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE B/A 101-3225 AS RECOMMENDED BY THE GOVERNOR WITH STAFF'S RECOMMENDATIONS TO ADJUST FOR THE NEW CONTRACT RATE, AND TO ESTABLISH TWO NEW BUDGET CATEGORIES FOR POISON CONTROL.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

SENATOR TITUS:

I am concerned about going out of state for a poison control call center service. The University of Nevada School of Medicine has said it would be interested in providing the service. We need to let the school know we would like them to offer the service so we can contract at home with our own institutions.

CHAIR CEGAVSKE:

The available expertise and professionals are the reasons for going out of state for the service.

MS. FREED:

It takes a few years to become a certified poison center. There is no institution in Nevada with the certification.

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CHAIR CEGAVSKE:

The cost of establishing the service is a consideration. There is a reduction in cost with this new contract.

SENATOR TITUS:

At one time, the Washoe Medical Center provided this service, so it is possible to obtain the service within the State. In a crisis or panic, people will call 9-1-1 which also needs the direct link to the poison control center.

CHAIR CEGAVSKE:

We need to ask that both 2-1-1 and 9-1-1 have the direct link to the poison control center.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. FREED:

The closing items for Vital Statistics, B/A 101-3190, are on pages 9 through 11 of [Exhibit D](#). The one major closing issue in this budget is new staff for the proposed Department of Health and Human Services data warehouse. The Health Division was recommended for a technology improvement request (TIR) for the design and management of a data warehouse. That TIR will be considered by the Joint Subcommittee on General Government on April 27, 2007. Approval of this enhancement is contingent upon approval of the TIR.

HHS - Vital Statistics – Budget Page HEALTH-14 (Volume II)
Budget Account 101-3190

The Governor recommends addition of one information systems specialist, one new biostatistician II, one biostatistician III and one new public service intern. Staff has reviewed the Division's justification for these positions. If the data warehouse is approved, the need for a new information systems specialist appears reasonable to staff. Staff would also recommend the addition of one biostatistician III and the deferral of consideration of the public service intern until the 2009 Legislative Session. There is one other closing item for replacement equipment which appears reasonable to staff, and staff has made one technical correction. Does the Subcommittee wish to approve the information systems specialist, approve both new biostatistician positions or only one and do you wish to approve the public service intern position?

SENATOR RAGGIO:

Is approval of the data warehouse required if we approve these positions?

MS. FREED:

As part of the motion, I would suggest you make approval of these positions contingent upon approval of the TIR by the Joint Subcommittee on General Government.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE B/A 101-3190 AS RECOMMENDED BY THE GOVERNOR SUBJECT TO APPROVAL OF THE DATA WAREHOUSE; WITH STAFF'S RECOMMENDATIONS FOR REDUCED STAFFING; AND TECHNICAL ADJUSTMENTS AS REQUIRED.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. FREED:

The Cancer Control Registry, B/A 101-3153, closing items are on pages 12 and 13 of [Exhibit D](#). There is one major closing issue. This is the first of four budgets with the proposed fee increase elimination. The budget initially recommended fee increases and budget Amendment No. 59 reflected the Governor's revised recommendation to eliminate fee increases from this budget. The Governor recommends elimination of two existing positions: a cancer registrar and a health resource analyst. In addition, various operating and replacement equipment expenses were recommended for reduction. Based upon additional information provided by the Health Division and discussions with them, it appears the Cancer Registry Program can continue its work effectively through the upcoming biennium despite the elimination of fee increases. Some expenses can be transferred to federal grant support, and the workload of cancer data abstraction is decreasing.

HHS - Cancer Control Registry – Budget Page HEALTH-20 (Volume II)
Budget Account 101-3153

Does the Subcommittee wish to approve the amended budget eliminating fee increases from the cancer registry program or approve the budget as originally recommended reinstating the fee increases? There is another closing item for reduced levels of replacement equipment and that appears reasonable to staff.

CHAIR LESLIE:

I agree with the elimination of the fee increases. Given the updated information we received on the workload, I agree with staff's recommendations.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE B/A 101-3153 AS RECOMMENDED BY THE GOVERNOR WITH ADJUSTMENTS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

* * * * *

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MS. FREED:

The closing items for the Environmental Public Health Tracking System, B/A 101-3203, are on page 14 of [Exhibit D](#). The Governor has recommended elimination of this budget because the grant ran out. Staff concurs with the Governor's recommendation.

HHS - Environmental Public Health Tracking System – Budget Page HEALTH-25
(Volume II)

Budget Account 101-3203

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE B/A 101-3203 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. FREED:

The closing items for Consumer Health Protection, B/A 101-3194, are on pages 15 through 18 of [Exhibit D](#). This is another budget for which the Governor has recommended the elimination of fee increases. The two major closing issues are elimination of the increases and staffing increases. The closing documents are set up so the Subcommittee may consider the basic issue of keeping the fee increases in the budget or agreeing with the Governor's recommendation to eliminate them and then move on to consider the enhancements in the budget after the funding decision is made.

The first choice for the Subcommittee is whether you wish to approve the increases as originally recommended by the Governor. This would permit the Division to increase fees to realize revenue to fund the Base Budget and maintenance budget and some or all of the enhancements. The Subcommittee may choose to approve the Governor's amended recommendation to eliminate fee increase revenue and replace the lost revenue with General Fund appropriations for certain enhancements in this budget. The Subcommittee may disapprove the addition of any fee increases or General Fund monies for this budget, thereby directing the Division to work within its adjusted Base Budget, with required maintenance units like inflation adjustments and cost-of-living increases.

HHS - Consumer Health Protection – Budget Page HEALTH-27 (Volume II)
Budget Account 101-3194

CHAIR LESLIE:

It is appropriate to continue funding this budget as we have historically. These are important services. We have restaurant and manufacturer inspectors. We need to keep up with the growth in our state. It is appropriate to have the industry continue to pay for the growth through normal fee increases. I am not

in favor of funding these necessary positions with General Funds because all of us would be paying for something for which the industry should pay. I recommend reinstating the fee increases in the *Executive Budget*.

CHAIR CEGAVSKE:

The Subcommittee should hear the enhancements so we know what we are talking about.

MS. FREED:

The second major issue is staffing increases. The six additional positions recommended in the *Executive Budget* are shown on page 16 of [Exhibit D](#). The Governor recommends the addition of five environmental health specialists and one grants and projects analyst. In reviewing the Division's justification for these positions, staff believes the recommendation for the five environmental health specialist positions is reasonable. Staff offers no recommendation on the grants and projects analyst position. Approving that position may be seen as an opportunity by other bureaus within the Health Division to request their own grants and projects analyst or management analyst positions. The choices for the Subcommittee are to approve a grants and projects analyst as recommended by the Governor, deny the grants and projects analyst or, if the Subcommittee wishes to provide a fiscal support position, staff would recommend the addition of a management analyst instead of a grants and projects analyst.

Decision unit E-260 recommends enhanced in-state travel, out-of-state travel and training at a cost of \$62,447 in FY 2007-2008 and \$66,259 in FY 2008-2009. This enhancement appears reasonable to staff.

E-260 Working Environment and Wage – Page HEALTH-30

Decision unit E-590 recommends \$74,235 in FY 2007-2008 to fund the purchase of software for field inspections. That appears reasonable to staff.

E-590 Technology Invest: Maximize Internet & Technology – Page HEALTH-30

Decision unit E-710 is replacement equipment. There is an error in this decision unit. It includes in-state travel amounts of \$2,637 in FY 2007-2008 and \$6,153 in FY 2008-2009. Staff seeks permission to remove these from the decision unit. The Division has assumed a three-year replacement for computers in this decision unit. However, to comply with the Department of Information Technology's (DoIT) replacement time frame, staff recommends eliminating eight of the replacement desktops from FY 2008-2009 since they are not eligible for replacement until 2010. In addition, the Bureau requests \$18,000 to replace nine personal digital assistants (PDA) to be used for field inspections. Staff has received a revised quote for the PDAs. The new cost for each PDA is \$999 rather than \$2,000 as shown in the *Executive Budget*. Replacement of nine PDAs appears reasonable to staff and staff seeks approval to change the price for each unit from \$2,000 to \$999.

E-710 Replacement Equipment – Page HEALTH-31

Decision unit E-807 recommends reclassifying an administrative assistant I to an administrative assistant II. That appears reasonable to staff.

E-807 Position Upgrades — Page HEALTH-31

SENATOR RAGGIO:

To what extent will the fees be increased?

MS. FREED:

The Bureau of Health Protection Services previously provided a schedule, [Exhibit E](#), showing the current fees, current revenue yield, projected revenue without a fee increase and the resultant percentages. [Exhibit D](#) is based on the original *Executive Budget*. Fees would not need to be increased to the extent you see on [Exhibit E](#) unless the Subcommittee approves everything the Governor originally recommended.

SENATOR RAGGIO:

Where services are provided and have been supported by fees, the fees should continue to be the funding source to the extent they are required to provide essential services and to ensure that services continue. There is something in the statutes saying fees can only be increased as justified to provide the service. If that is the situation here, I would support the fee increase rather than using General Funds. That would be my philosophy throughout any of these discussions on fee increases.

CHAIR CEGAVSKE:

Some of the increases are 100 percent or more. What is the justification for that increase?

CHAIR LESLIE:

Some of the increases are 100 percent because they are new. Is that correct?

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

The fees contained within this budget account encompass several different sections of the *Nevada Administrative Code* based upon the responsibilities contained in the *Nevada Revised Statutes*. The general procedure of the Health Division and the State Board of Health is to capture the time and effort it takes to perform a particular type of inspection for which a license or permit is issued. Determining the staff time, starting from pulling the chart or file, conducting the inspection, preparing the report and issuing the findings, gives us an accurate cost of performing the statutory responsibility. We use this process to determine all fee types. We also look at what is charged by other western states to perform a similar type inspection. We consider whether an activity is 100-percent fee funded or if there is a General Fund or other type of contribution. Both General Fund and fee revenue are used in this budget account.

CHAIR CEGAVSKE:

You assess by square footage.

MR. HAARTZ:

That is a fairly consistent formula or approach which emphasizes the size of the facility and the time it takes to do an inspection.

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CHAIR CEGAVSKE:

Once the size factor is understood, it is easier to understand the high percent of fee increase.

CHAIR LESLIE:

Are some of these fees new? For instance, the fee to review a new facility shows a 102-percent increase.

MR. HAARTZ:

Plan review for public bathing places is not a new fee or a new activity.

CHAIR CEGAVSKE:

Is the fee for a new facility?

MR. HAARTZ:

If a new facility is coming online, a plan review would be required. It is not an ongoing cost for an existing facility.

ASSEMBLYWOMAN GANSERT:

The way I read this chart is: you used to have a flat fee, now you are tiering the fee based on the size of the structure. Is that correct?

MR. HAARTZ:

That is correct.

SENATOR RAGGIO:

I am looking at page 3 of [Exhibit E](#) which indicates a current fee of \$255 for New Food Establishment Permits. What is the new fee?

CHAIR CEGAVSKE:

The Subcommittee is looking at [Exhibit E](#) on the Internet. Senator Raggio's screen is not the same as the rest of ours.

AMY ROUKIE (Administrative Service Officer, Health Division, Department of Health and Human Services):

Historically, the fees for food establishments have been based on the number of seats, not on the square footage. On page 3 of [Exhibit E](#), you will find a base fee plus \$1.95 for each seat. The food establishment plan review current fee is \$255 plus the per seat charge. There are tiers in the fee structure based on seating and risk. There are other plan reviews, inspections and permitting fees.

CHAIR CEGAVSKE:

What is the justification for the increase in fees?

MS. ROUKIE:

The justification for the fee increase is the cost to the Division to perform its functions. The majority of the food inspections for the State Health Division are conducted in the rural and frontier counties. They are not conducted in the urban areas where local authorities have the responsibility. We have significant travel expenses for the health inspectors.

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CHAIR CEGAVSKE:
[Exhibit E](#) is new to the Subcommittee.

MS. ROUKIE:
That is correct.

CHAIR CEGAVSKE:
The Division has restructured how it is evaluating the costs.

MR. HAARTZ:
That is correct. We are seeking to document the actual cost to perform the function.

CHAIR CEGAVSKE:
You have changed your formula. What was the rationale for changing the formula? Under the previous formula, would there have been a decrease in fees?

MR. HAARTZ:
Previously, fees for these activities were not based on time and effort. The fees were set based upon the revenue needed to meet the Legislatively approved budget. This change relates the fees to the workload.

SENATOR RAGGIO:
As I understand it, Clark, Washoe and Carson City Counties perform their own inspections. If we authorize fee increases, how would these fees compare to the fees paid within the urban counties? A restaurant inspection fee in Elko, for instance, should not be inconsistent with the urban area fees.

MS. ROUKIE:
An analysis is performed by the Division, before it presents amendments to the *Nevada Administrative Code*, for every fee increase. That analysis includes what neighboring states and local health authorities charge for the same activities. In 2005, the fees were restructured. Historically, our fees were lower than in the urban areas.

MS. FREED:
The Division submitted a comparison of its fees to Clark and Washoe Counties' health districts and out-of-state charges for similar industries. Staff has the information.

SENATOR RAGGIO:
You have the information, but what were the results? I would like to have this information before a decision is made.

CHAIR CEGAVSKE:
The Subcommittee would like to have the fee structure information throughout the State to do a comparison.

MS. FREED:

The closing items for Health Radioactive & Hazardous Waste, B/A 251-3152, appear on pages 24 and 25 of [Exhibit D](#). Decision unit E-225 recommends replacement of a ten-year-old agency-owned vehicle with a monthly-assigned State Motor Pool vehicle. Staff followed up with the Division about whether they required a motor pool vehicle or if they could purchase an agency-owned vehicle to save an additional vehicle purchase by the State Motor Pool. The Division agreed this budget could purchase its own vehicle with the Perpetual Care Fund and contract with the State Motor Pool for maintenance. That would be staff's recommendation.

E-225 Eliminate Duplicate Effort — Page HEALTH-43

Decision unit E-710 funds replacement equipment. That recommendation appears reasonable to staff.

E-710 Replacement Equipment — Page HEALTH-44

ASSEMBLYWOMAN SMITH MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE B/A 251-3152 AS RECOMMENDED BY THE GOVERNOR, WITH THE PURCHASE OF A NEW VEHICLE RATHER THAN USE OF A STATE MOTOR POOL VEHICLE AND ADJUSTMENTS AS RECOMMENDED BY STAFF.

ASSEMBLYMAN DENIS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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HHS - Health Facilities Hospital Licensing – Budget Page HEALTH-46 (Volume II)
Budget Account 101-3216

MS. FREED:

The Health Facilities Hospital Licensing, B/A 101-3216, closing items appear on pages 26 through 33 of [Exhibit D](#). This is a budget for which the Governor recommends elimination of fee increases. Staff has set up the closing documents so the first decision is whether the Subcommittee wishes to accept the Governor's revised recommendations to eliminate the fee increases in the budget or to permit the Division to raise fees in accordance with time and effort for inspecting health facilities to fund some enhancements. The Governor had originally recommended 17 new positions in this budget. The chart on page 29 of [Exhibit D](#) summarizes the positions originally recommended by the Governor. If the Subcommittee chooses to permit the increased fees to survey health facilities, page 31 of [Exhibit D](#) contains recommendations for enhancements for this budget. Staff recommends a total of nine new positions if the Subcommittee wishes to reinstate fees. If the Subcommittee does not wish to reinstate the fees, there would be no enhancements in this budget.

Decision unit M-303 recommends reclassification of a computer network specialist I to an IT professional II as the result of an occupational group study by the Department of Personnel.

M-303 Occupational Studies – Page HEALTH-48

Decision unit E-225 recommends the addition of two assigned vehicles from the State Motor Pool to allow surveyors to visit facilities to be licensed. There is no assigned State Motor Pool vehicle cost in any of the staffing increase decision units. With the Governor's removal of all of the staffing increases from this budget due to the fee eliminations, only one vehicle would be needed. If the Subcommittee approves four or more of the health facility surveyors, staff recommends approval of two monthly State Motor Pool vehicles; one for Las Vegas and one for Carson City.

E-225 Eliminate Duplicate Effort – Page HEALTH-49

Decision E-250 recommends additional cellular telephones which appears reasonable to staff.

E-250 Working Environment and Wage – Page HEALTH-49

Decision unit E-251 originally recommended additional training expenses for existing employees. This enhancement, due to fee eliminations, is now recommended by the Governor for elimination. The enhancement appears reasonable to staff depending upon the Subcommittee's decision regarding fees.

E-251 Working Environment and Wage – Page HEALTH-50

Decision unit E-330 recommends funding to move the Bureau of Licensure and Certification's office in Carson City to a new location to accommodate the expansion of the Department of Taxation. This enhancement appears reasonable to staff.

E-330 Services at a Level Closest to People – Page HEALTH-53

Decision unit E-710 is replacement equipment. Staff recommends eliminating 25 of the laptop computers with the docking stations from FY 2008-2009. This equipment is not eligible for replacement until 2010.

E-710 Replacement Equipment – Page HEALTH-53

Decision unit E-814 reflects a 2-grade pay increase for all health facility surveyors who are nurses, based on a market study performed by the Department of Personnel.

E-814 Other Salary Adjustments – Page HEALTH-54

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SENATOR RAGGIO:

The nine positions recommended by staff appear appropriate. The positions should be supported by fee increases. I am concerned the proposed fee increase would not support the nine positions.

MS. FREED:

The fee increase does support the nine positions. Every year, when the Board of Health reconsiders fees for surveying health facilities, the Division performs a time and effort study. The Division provides a list of the annualized cost to serve a type of facility. The cost depends on the size, how complicated the service is and whether it is subject to State and/or federal regulations. The list compares the current cost and what the fee revenue is. The information is shared with the facilities which have an opportunity to discuss and comment on the information in a series of workshops.

SENATOR RAGGIO:

Does the Board of Health make the final decision?

MS. FREED:

That is correct; the Board determines what the fee will be for each type of facility. When the Board of Health approves reviewed licensure fees, it is typical to adjust the fee structure such that those perceived to be able to pay more, or larger facility types, can subsidize other facility types. The Board of Health is required by statute to support the Legislatively approved budget.

SENATOR RAGGIO:

That means the fees cannot exceed the budget?

MS. FREED:

That is correct.

SENATOR RAGGIO:

There will be differing fee increases depending upon what information the Division provides to the Board of Health and the size and nature of the facility. Are we dealing with initial licensure for hospitals, health-care facilities and renewal of licenses, as well as complaints?

MS. FREED:

That is correct.

CHAIR CEGAUSKE:

Is there a guideline for the Board of Health in increasing the fees? Is there a cap?

MS. FREED:

The Board of Health may set the fees for each type of facility as they see fit. There is no cap.

MR. HAARTZ:

Staff is correct; the only guidance or cap provided to the State Board of Health is the statutory direction that the Board set the fees sufficient to generate the Legislatively approved fee revenue. Whatever the Legislature authorizes as the

fee revenue to be collected within a State fiscal year is the direction provided to the State Board of Health. The Division provides the information, and then the Board of Health hears testimony from the various industries. The Board can use its authority to determine the projected amount of increase, based upon actual cost. The cost may be too high for a small facility. The Board can pass a portion of the cost to a larger facility perceived to have greater cash flow and payment ability.

SENATOR CEGAVSKE:

I am concerned with that method.

ASSEMBLYWOMAN BUCKLEY:

The *Executive Budget* requested 17 positions. The staff recommendation to reduce that number to nine, prioritized by those who are really providing the health and safety inspections the public needs, is reasonable. The duplicative position eliminations recommended by staff appear reasonable. This agency has not kept up with growth. We cannot move too fast. The fee increase, with the original number of positions, is too high.

SENATOR RAGGIO:

Are the licensures, certifications and complaint investigations all federally required because the budget receives Medicaid/Medicare payments? We need to meet that level of responsibility.

MR. HAARTZ:

You are correct for the facilities that participate in the reimbursement program.

SENATOR RAGGIO:

Will the agency be able to perform all of the duties and responsibilities required with the nine additional staff positions?

MR. HAARTZ:

We will be able to perform the federally-required workload with the federal funding we receive.

SENATOR RAGGIO:

Will those nine positions be adequate for your purposes?

MR. HAARTZ:

The nine positions will help reduce the backlog. In a growth state, the backlog is a challenge. There are currently 48 businesses waiting for inspection which have completed all of the licensure requirements. There are certain activities we are not performing. We are working to meet the mandated workload. Yours is a difficult question to answer. The workload is dependent upon the changes in the industry.

SENATOR TITUS:

One of the things you are not doing is inspecting halfway houses. They were placed under the Bureau of Licensure and Certification last session. Not a single one has been licensed, yet they continue to operate in a bad fashion throughout our neighborhoods. I want to add staff and have you commit to inspecting the halfway houses before they become a problem we can never address. You do

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not seem sure whether you can do the job with the nine added positions. How will you do the job if the fees are cut and you have no added positions?

MR. HAARTZ:

Are you referring to transitional-living facilities for released offenders?

SENATOR TITUS:

Yes, I am.

MR. HAARTZ:

We have been working with the Division of Parole and Probation (P&P). There are known facilities which have been provided licensure information and are in the process of being licensed.

SENATOR TITUS:

That is good since it has been two years. I hope to see the process accelerated. It is a terrible problem.

MR. HAARTZ:

Based upon the number of staff we have, or whatever is approved, we will accomplish as much as we can, focusing on our statutory responsibilities first and the non-statutory as we are able.

SENATOR TITUS:

Nine new employees are better than zero which is what would happen if the fees are cut.

MR. HAARTZ:

The additional staff will allow us to do more work within the same time frame.

ASSEMBLYWOMAN BUCKLEY:

I liked the suggestion of transferring the responsibility of the halfway houses to the P&P because they will be privy to the information about the residents. That leaves the Health Division more time with other categories of transitional housing in our neighborhoods. Can we move the criminal offenders to the P&P and have the Health Division focus on the other group homes?

SENATOR TITUS:

I am sponsoring a bill to do that; this agency may not be the best one to deal with criminals.

SENATOR RAGGIO MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE B/A 101-3216 AS RECOMMENDED BY THE GOVERNOR WITH THE ADDITION OF NINE POSITIONS AND OTHER CLOSING ITEMS AS RECOMMENDED BY STAFF WITH THE APPROPRIATE FEE INCREASES FOR THAT PURPOSE.

ASSEMBLYWOMAN LESLIE SECONDED THE MOTION.

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CHAIR CEGAVSKE:

I am still concerned about the formula and would like to receive the information requested.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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HHS - Radiological Health – Budget Page HEALTH-34 (Volume II)
Budget Account 101-3101

MS. FREED:

The closing items for Radiological Health, B/A 101-3101, are on pages 19 through 23 of [Exhibit D](#). The Subcommittee has received a fee schedule from the Bureau of Health Protection Services ([Exhibit F](#)) for the various types of X-ray machines, radiological material machines and mammography certifications. The major closing issue is the elimination of fee increases. The Governor recommends elimination of fee increases and substitution of General Funds in the amounts of \$363,025 in FY 2007-2008 and \$531,760 in FY 2008-2009. The first decision before the Subcommittee is whether to approve the Governor's original recommendation to permit this budget to increase fees or the Governor's revised recommendation to eliminate fee increases and add General Funds. This budget has had General Fund support in previous biennia, but the 2003 Legislature eliminated General Fund support as the result of an Executive Branch audit. This budget recommendation is contrary to past Executive Branch recommendations.

The second major issue is new radiological and administrative positions. The Governor recommends the addition of two radiation control specialists, two radiological staff specialists and two administrative aides. After reviewing the Division's justification, staff's recommendation is that the two radiation control specialists and two radiological staff specialists appear reasonable. The Governor has recommended delaying the start date of the two positions from October 2007 to January 2008. If the Subcommittee wishes to approve fee increases in this budget, there is no reason to delay implementation of those positions.

The third major issue is a new public service intern position. The *Executive Budget* has also recommended delaying the start date of that position. Staff feels the addition of a public service intern is reasonable.

In Other Closing Items, decision unit E-225 recommends replacement of one agency-owned vehicle with a monthly-assigned rental from the State Motor Pool, page 22 of [Exhibit D](#). If the Subcommittee chooses to approve this enhancement, and if the Subcommittee reinstates the fee increases, staff recommends the Division purchase an agency-owned vehicle with reserve fees.

E-225 Eliminate Duplicate Effort – Page HEALTH-37

Decision unit E-260, page 22 of [Exhibit D](#), transfers reserve funding to the Consumer Health Protection budget to assist in funding the upgrade of an administrative assistant position. The need for this decision unit, which appears reasonable, is contingent upon the approval of the position upgrade in the Consumer Health Protection budget.

E-260 Working Environment and Wage – Page HEALTH-38

Decision unit E-261 recommends increased out-of-state travel for training and conferences. Decision unit E-710 recommends replacement equipment. Both decision units appear reasonable.

E-261 Working Environment and Wage – Page HEALTH-38

E-710 Replacement Equipment – Page HEALTH-39

Staff requests approval to make technical adjustments to align certain expenditure categories with their correct revenue sources.

ASSEMBLYWOMAN BUCKLEY:

I would like clarification on the need for the positions. We have information on nuclear regulatory and homeland security issues, page 21 of [Exhibit D](#).

MS. FREED:

Staff requested information from the Division regarding rule changes, federal regulation changes and the number of required visits to the Beatty Low-Level Waste site. The number of regulations and publications the radiological staff keeps up with is overwhelming. New mandates and rule changes from the Nuclear Regulatory Commission take a good deal of time. Staff feels the positions are required.

ASSEMBLYWOMAN BUCKLEY:

Previous information indicates significant trouble recruiting licensors and inspectors of radiological machines. Could approving a new public service intern position insure more inspections?

MS. FREED:

The public service intern will not do licensure work for radioactive material, X-ray machines or mammography machines. The position is a recruiting tool for the Health Division. There are many senior staff in radiological health who will be eligible for retirement. It is an unusual job. Not many states do this type of work. It is difficult to recruit. The hope is to retain a graduate student who will enjoy this type of work.

SENATOR MATHEWS:

Is anyone looking at the airport machines? Do not tell me they are not powerful enough to be a problem. They are a lot more powerful than anything you will encounter in most doctors' offices or hospital situations.

MS. FREED:

The X-ray machines at the airport are under the purview of the U.S. Department of Homeland Security. The State does not inspect those machines.

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SENATOR MATHEWS:

Why do we need 14 new people? Are we using 14 people to inspect doctors' offices and hospitals?

MS. FREED:

No; the chart in [Exhibit F](#) outlines the X-ray and materials to be inspected.

SENATOR MATHEWS:

Has anyone from the Health Division inquired why the airport machines are not inspected and why no one wears a badge? I go through the machines every day. Your film can be protected, but you are not.

MR. HAARTZ:

We share your concerns. The chief of this bureau continues to engage in conversation with the federal Transportation Security Administration (TSA) and Homeland Security about your concerns and communicating our concerns as a State regulatory agency. There does not seem to be a place for us to protect Nevada's residents. They are tight about their jurisdiction and are not allowing the State to permit or inspect.

SENATOR MATHEWS:

Who inspects the airport machines?

MR. HAARTZ:

It is my understanding the manufacturer has the responsibility in terms of ensuring they are properly functioning. I do not know if the TSA or Homeland Security has inspectors to routinely monitor the equipment. I will ask the question.

ASSEMBLYWOMAN LESLIE MOVED TO RECOMMEND TO THE FULL COMMITTEE TO CLOSE B/A 101-3101 WITH FEE INCREASES AS ORIGINALLY RECOMMENDED BY THE GOVERNOR; WITH DELAYED START DATES FOR THE NEW POSITIONS; AND WITH STAFF'S RECOMMENDATIONS AND TECHNICAL ADJUSTMENTS.

SENATOR RAGGIO SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAUSKE:

The Subcommittee will review Medicaid, B/A 101-3243. Could the Division explain why the costs for the medical assistance for the aged, blind and disabled (MAABD) population are decreasing? Are the Medicaid and Checkup Payment Projections (MPP) reliable enough for the division to recommend reducing the Medicaid budget by \$52 million over the 2007-2009 biennium?

HUMAN SERVICES

HEALTH CARE FINANCING AND POLICY

HCF&P - Nevada Medicaid, Title XIX – Budget Page HCF&P-12 (Volume II)
Budget Account 101-3243

CHARLES DUARTE (Administrator, Division of Health Care Financing and Policy, Department of Health and Human Services):

The Medicaid payment projection was rerun; something we normally do during the Legislative cycle. There were two major items affecting the Medicaid payment projection. There was a significant decrease in the caseload associated with the Temporary Aid for Needy Families (TANF) and the Children's Health Assurance Program (CHAP). There was a net reduction in caseload in 2008 of about 6,135 recipients compared to the Governor's recommended budget in FY 2007-2008 and in FY 2008-2009 there was a net reduction in caseload of 9,531 recipients below Governor recommended. The vast majority, 5,500 in FY 2007-2008 and 8,300 in FY 2008-2009, were associated with the TANF and the CHAP. Of the \$52 million in reductions, about 29.5 million are associated with the reduction in caseload.

There were also reductions in costs. The Division has been tracking a trend over the last 15 months associated with reductions in hospital costs, particularly for the high-cost institutional disabled population. We have tried to determine and validate whether those cost trends are real. They are on a service-date basis, not on a paid basis. Even though we are seeing reductions in the MPP and hospital costs, we do not believe this is a long-term trend. The administrative delays in hospital billing are normally resolved. The difficulty for us is predicting when they will be resolved in the next biennium. Rather than following the trend line of hospital cost reductions down, we chose to assume the cost trends are real and will bump back up to their historical levels. We mitigated that in our latest MPP run by adjusting our hospital costs up to what they were 12 months ago. We think that action protects the Division. The second adjustment we made was in the area of mental health services. We adjusted those costs up because there were inexplicable trends downward for those services. Those two adjustments had a significant impact and help protect the Division should we see a trend of higher costs in the next biennium. With the information we have today, we believe the Medicaid projection run is as reliable as it can be.

CHAIR CEGAVSKE:

Are you comfortable with the projection?

MR. DUARTE:

I am never comfortable projecting two years in advance. I am as comfortable as I can be with the information presented.

CHAIR LESLIE:

It is difficult to look ahead. I am uncomfortable with suddenly decreasing our cost per eligible (CPE) rate by this much. Do we really have a handle on the reduction? What happens if the guess is wrong?

MR. DUARTE:

The steps taken to mitigate the cost reductions in the latest run of the MPP protect us, to a significant degree, from any increases in the next biennium. We

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have taken steps to manage the potential risk. The majority is related to caseload reductions associated with the TANF and the CHAP populations. There is some caseload reduction in the aged and disabled groups.

CHAIR LESLIE:
Why are we seeing that reduction?

MR. DUARTE:
With respect to the TANF and the CHAP, we believe the requirements imposed by the Deficit Reduction Act (DRA) for citizenship verification are having a cooling-off effect on applications and probably increasing the number of people dropping out of the application process when they realize they have to search for their birth records.

CHAIR LESLIE:
Now I am more uncomfortable. Are we finding some elderly people do not have a birth certificate or a passport? Is anyone making that type of analysis? Is that a question for the Division of Welfare and Supportive Services?

MR. DUARTE:
Welfare and Supportive Services would have a better handle on what is being done. It is my understanding there is no metric used to assess if people are dropping out of the application process for lack of birth records. Noncooperation is always the largest area where we see people drop out. It is a broad and vague category.

CHAIR LESLIE:
We call it noncooperation, but it may be an inability to find a birth certificate. I am concerned. What percentage of the reduction is related to the DRA?

MR. DUARTE:
I do not know. Welfare and Supportive Services has estimated a 7-percent increase in noncooperation cases related to the DRA.

SENATOR TITUS:
If only 7 percent can be attributed to this problem, can you give us some other reasons you think the number will drop at a time when the State continues to grow?

MR. DUARTE:
The 7 percent is a rough estimate. We do not have a metric to determine why the decline in caseload is occurring. The increase in work participation requirements associated with cash assistance may also impact the caseloads. We are seeing a true decline in caseload.

ASSEMBLYWOMAN BUCKLEY:
I am also concerned about the inexplicable decrease in the overall CPE rate, especially with the MAABD population, because it is the most expensive population. I assume at some point, if part of your projections are that the enrollment will be lower because 80-year-old senior citizens about to go into nursing homes cannot find their birth certificates, the social service agencies will pool together. Hopefully, one of the agencies will step forward to help the

senior citizen find a birth certificate to enter the person in a program. I want to make sure the decreases are real. As much as everyone on this Subcommittee loves to save money to look at other needs of the State, if projections are wrong, you will be coming to the IFC requesting additional funds. If we do not have a good sense of why the CPE rates are decreasing, other than the Medicare Part D, how much can we rely on the projections? What if the DRA changes pass?

MR. DUARTE:

There are a number of factors difficult to project and protect against, short of having a reserve in our budget. The issue associated with the decline in the CPE is multivariate. We mitigated some of that already by adjusting our rates upwards for hospital inpatient care and mental health services. There are other factors that could contribute to the decline in the CPE for the aged and disabled; mainly, we are seeing a growing number of recipients who are disabled noninstitutional and lower cost than the disabled institutional. When you look at the trend and blend the populations, there is a dampening effect on the CPE.

With respect to the slight decline in the aged and disabled population caseloads, it is my understanding some of it may be related to practices utilized by Social Security, particularly the Bureau of Disability Adjudication with respect to disability appeals. In terms of determining Supplemental Security Income (SSI) eligibility, often individuals must reapply after a denial. It is my understanding a moratorium was placed on disability appeals starting in June 2006 which continues to this date. Because of that moratorium, we are hearing from hospitals and physicians' practices they have long-standing patients awaiting SSI eligibility which is required to get on Medicaid. In the latest caseload projections done by the Welfare Division, they have mitigated for this situation and have increased caseloads in the TANF, CHAP, aged and disabled populations. There is an increase in trend; all that has been done is to reduce the increase. This is still an increase over base.

ASSEMBLYWOMAN BUCKLEY:

Could the Division outline all of the assumptions and how those assumptions contribute to the CPE and also address the DRA?

MR. DUARTE:

We will provide the information.

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

Mr. Duarte has discussed the projected savings of approximately \$52 million in the Medicaid budget. The Division also has a number of add-back issues not yet discussed. The clawback estimate is \$4.2 million and is the amount of money to be paid back to the federal government for the Medicare Part D program. The Care Management and Regional Care Coordination program used a higher rate than the federal government will allow which reduces the savings by \$2.1 million.

The Division contemplated implementing a voluntary managed-care program for the aged, blind and disabled population in Medicaid effective January 2008. The Division has now been informed private providers will not be ready to implement

the program before January 2009. The Division has requested the savings associated with that program be deferred this biennium.

The CheckUp program caseload continues to increase; it is higher this month than what is recommended in the *Executive Budget*. Staff has revised caseload projections. The additional cost for increased caseload is \$1.2 million. This is a program where enrollment can be capped.

SENATOR TITUS:

I hope we do not cap the CheckUp program. It is a wonderful program. The fact this program is increasing more than the Governor suggested it would increase and the previous testimony about the decrease in caseload do not jive. Can we get an explanation of why, when we are talking about similar populations, the CheckUp program would increase and the other programs are decreasing?

CHAIR CEGAVSKE:

The Subcommittee will move to the Division of Mental Health and Developmental Services, Substance Abuse Prevention and Treatment Agency, B/A 101-3170.

HUMAN SERVICES

MENTAL HEALTH AND DEVELOPMENTAL SERVICES

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

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

In the Substance Abuse Prevention and Treatment Agency budget, the Governor has recommended significant increases in General Funds: the replacement of federal/State Incentive Grant funds with General Funds of \$5.3 million; appropriations of \$3.83 million to serve the 1,417 individuals on a wait list and appropriations of \$3 million to establish a pilot program for individuals with mental illness and substance abuse addiction. The Subcommittee approved a \$1 million transfer from the Department of Health and Human Services into this account for methamphetamine education. If all of these enhancements are approved, the maintenance of effort will increase \$12 million each year beyond the 2007-2009 biennium.

CHAIR LESLIE:

I am concerned we are not expanding our treatment capacity. During the Department of Corrections' projection overview, they pointed out we have 10-percent fewer substance abuse patient beds in FY 2005-2006 than in FY 2002-2003. Recently, the treatment center in Fallon burned down. How many beds did the Fallon center have? Are we in a crisis with the inpatient treatment centers for substance abuse?

CHAIR CEGAVSKE:

Is the capacity in aftercare programs adequate?

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CARLOS BRANDENBURG, PH.D. (Administrator, Division of Mental Health and Developmental Services, Department of Health and Human Services):
We are in a crisis in terms of statewide bed capacity. The program in Fallon, which had 20 beds, is in the process of emergency bed acquisition. We are working with them regarding licensure to get their beds ready.

CHAIR LESLIE:
Is the Fallon facility rebuilding in the same location?

DR. BRANDENBURG:
The Fallon facility burned to the ground. They are in the process of moving the beds and opening them as quickly as possible.

CHAIR LESLIE:
Is the amount of new money sufficient to increase capacity? Are the new funds for both inpatient and outpatient?

DR. BRANDENBURG:
The funds will go a long way when you consider this budget has not had a major increase since 1999 when there was a \$500,000 increase. The additional funds are for inpatient and outpatient.

CHAIR LESLIE:
How many inpatient beds will be added?

DR. BRANDENBURG:
I do not know; I will provide that information.

CHAIR LESLIE:
I do not believe the funds provided are enough.

CHAIR CEGAUSKE:
Will you provide us with the aftercare program information, including the length of time?

DR. BRANDENBURG:
I will provide the information.

ASSEMBLYWOMAN BUCKLEY:
I want to make sure we get the most bang for our buck with all of this money. If we agree there are not enough treatment beds, and it is backing up our prison beds and our child welfare system, our first priority must be treatment beds and direct service on the streets. I may not be interested in prevention programs and replacing federal funding. Our crisis is in treatment. Obviously, we all want to prevent substance abuse; but does an advertisement affect someone already doing drugs?

CHAIR CEGAUSKE:
For those addicted individuals, you are right. The commercials are for prevention.

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ASSEMBLYWOMAN BUCKLEY:

We should have some performance indicators and proof we are not funding coalitions who sit around and meet.

DR. BRANDENBURG:

We will do that. Today I am meeting with the prevention people on this particular issue. I will follow up on the indicators. I believe we have a great program regarding prevention and education.

ASSEMBLYWOMAN BUCKLEY:

Have the numbers gone down? Are there fewer addicted people?

DR. BRANDENBURG:

That is an unfair analysis. Look at capacity and census growth and take into consideration this budget has not had an increase in funds since 1999. We need to fund both the beds and prevention.

MR. CHAPMAN:

The Governor recommended \$3.7 million in FY 2007-2008 and \$9.12 million in FY 2008-2009 to support an additional 640 clients for developmental services. In response to the Governor's request for budget reductions, the Division reduced its caseload projections to 518 clients for the biennium. The two agencies affected by the caseload reduction are the Desert Regional Center in southern Nevada and the Rural Regional Center. The Division intends to delay the hiring of new staff and the implementation of services at all three regional centers by three months. If the Subcommittee agrees with the revised caseload, \$1.9 million would be saved in FY 2007-2008 and \$2.21 million in FY 2008-2009. Staff is reviewing the revised caseload projections.

CHAIR CEGAUSKE:

The Subcommittee wants to know why there is a decline in the caseload.

DR. BRANDENBURG:

Much of the caseload is driven by the way we phase in our cases. It is a natural phenomena at the end of the second year when we have fewer cases resulting in lower caseload.

SENATOR TITUS:

I appreciate the position the agencies are in, having to defend this budget. In response to the Governor's request for budget reductions, the divisions update their caseload projections. We keep hearing this. The Governor says cut the budgets so the agencies revise their caseload projections. Either they were bad projections to start with or these are artificial cuts to save money. In either case, this is not a good way to prepare a budget.

DR. BRANDENBURG:

Our original projections were built on September 2006 data. This Subcommittee has always asked us to go back and re-project. The latest data used was from December 2006. The December data showed a decrease; it is not artificial.

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SENATOR TITUS:

Do you find the projections usually decrease?

DR. BRANDENBURG:

In the past, when the projections have shown an increase, this Subcommittee has funded us at a lower rate as opposed to the increase.

SENATOR TITUS:

Two wrongs do not make a right. I am trying to determine what to do for the future.

DR. BRANDENBURG:

Our numbers are not artificial.

SENATOR TITUS:

Will you be satisfied with the reduction?

DR. BRANDENBURG:

The projections are driven by the caseload.

ASSEMBLYWOMAN BUCKLEY:

Will the Division provide the actual factors causing the projections to decrease? If the previous projection used the same factors, we need to know why the numbers decreased. Any specifics you can provide will be helpful in analyzing where we want to go.

DR. BRANDENBURG:

Yes, we will.

MR. CHAPMAN:

The Crisis Prevention Intervention Teams, recommended by the Governor, are in the three regional center budgets. A new program is in response to the continuing bed reductions at the regional centers. The Governor recommended eliminating the 20 remaining beds at the Sierra Regional Center in northern Nevada and eliminating 6 beds at the Desert Regional Center in southern Nevada. The Governor's budget reflects the new Crisis Prevention Intervention Teams which would assist individuals in the community susceptible to crisis episodes. About 15 percent of the total client population fits this category of difficult behavior issues. Since there will be no permanent inpatient or institutional beds in Sparks, the crisis teams are being developed. The staffing recommended in the Governor's budget for the Sierra Regional Center, which would eliminate 53.97 positions and retain 13.5 positions to staff and support the crisis team in the north, is being reviewed. The positions would also assist the Rural Regional Center crisis team with 2.5 positions transferring to that budget. In southern Nevada, since they have institutional beds, the Governor's budget would initiate a minimal core crisis team. This is a new concept without established staffing requirements. The Division has utilized similar staffing patterns associated with one of its mental health programs.

CHAIR LESLIE:

Does the Division intend to maintain a minimum of beds in case the new concept does not work?

DR. BRANDENBURG:

Yes, we will have four adult beds as respite beds. We will be contracting for children's beds.

MR. CHAPMAN:

The next topic is autism services. There has been discussion regarding a pilot program serving 52 families. The program uses a combination of the TANF funds and General Funds. The Division provided updated cost information for appropriations of \$1.05 million in FY 2007-2008 and \$3.5 in FY 2008-2009 to serve 146 families. The Division has provided updated information regarding this request which was not included in the Governor's budget. The update reduces the request to under \$3 million in FY 2008-2009. This program is not in the Governor's budget. Staff is exploring the possibility of obtaining the TANF funds for the non-waiver clients.

CHAIR LESLIE:

Obtaining the TANF dollars would make our decision easier. Can you do an analysis of the services in [A.B. 525](#) and this pilot program to determine how they are different? The parents of autistic children have told me they want both the pilot program and the services in [A.B. 525](#).

[ASSEMBLY BILL 525](#): Revises provisions relating to autism. (BDR 40-1374)

DR. BRANDENBURG:

I will provide the analysis of various bills, the pilot program and the TANF so the Subcommittee can look at the differing populations. There are differences between the two items; they serve different groups with different eligibilities.

SENATOR MATHEWS:

Senator Townsend has a bill with a price tag of \$4 million. We might want to review all of the bills.

MR. CHAPMAN:

The Subcommittee requested information regarding the Mobile Outreach program with the Reno Police Department. This item is not included in the *Executive Budget*. It provides for two mental health counselors and a half-time administrative assistant. The General Fund appropriations would be \$221,009 in FY 2007-2008 and \$223,796 in FY 2008-2009.

JIM JOHNS (Deputy Chief of Police, Reno Police Department):

The Reno Police Department is here to support Dr. Brandenburg and this proposal. The proposal enhances a current working function within the Reno Police Department. The Subcommittee has been provided with a copy of Call for Service ([Exhibit G](#)).

Officer Patrick O'Bryan's primary job is to find an alternative benefit for the people in the street who need mental health services without having to burden emergency rooms or the jail system. The development of two additional mental

health positions will allow the Police Department to deal with the 15 percent of the people who live in the field and receive outpatient services before there is a precipitating event creating a crisis in the community. Over the last several years, we have used hostage negotiators to deal with suicidal subjects. We have used field police officers to deal with subjects in their homes who perhaps have gone off their medication or failed to keep mental health appointments. These officers are not trained clinicians and are not trained in mental health services. The proposal before you allows us to put the mental health technician with the uniformed officer to intercede before there is a crisis within the community. The Reno Police Department is committed to expanding our program to two sworn full-time officers to assist with this program. We had one tragic event last year; an officer was forced into a deadly-force conflict with a mental health patient on the street. We need to move forward with a proposal to intercede before events get out of hand.

CHAIR CEGAUSKE:

Has anyone in your department looked at the Clark County crisis unit?

OFFICER JOHNS:

Officers Steve Johns and Patrick O'Bryan have looked at the Clark County system. We are in the midst of turning on a triage center at the Community Assistance Center in Reno. Training is provided throughout northern Nevada. We want to make sure this mobile proactive program does not rest in emergency rooms. We want it in the streets and the triage centers.

PATRICK O'BRYAN (Officer, Reno Police Department):

I am a northern Nevada crisis intervention team coordinator. We have viewed the Clark County crisis center twice and have visited San Diego for the same purpose. The Legislature has asked us to expand what we do in terms of dealing with the mentally ill. We do not want what is happening in Clark County hospitals to happen in northern Nevada. We are attempting to intercede in the community rather than reach the crisis level Clark County reached. We will see amazing offsets in many places, such as cost offsets. We will not be using emergency rooms for crisis intervention. Crisis intervention in the streets is a less costly program and more beneficial in reducing harm to officers and to the client. We will bring a mental health expert with an officer to the person.

SENATOR RAGGIO:

Will the two mental health counselors and a half-time assistant be required?

DR. BRANDENBURG:

Yes, they will be required.

SENATOR RAGGIO:

I am interested in seeing this type of program, rather than exclusively law enforcement intervention, and would like to see it added to the budget.

ASSEMBLYWOMAN BUCKLEY:

I support this program. Could we get a report about what is happening in Clark County? We did something last session and I would like to replicate it statewide.

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DR. BRANDENBURG:
That information will be provided.

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

The Division of Welfare and Supportive Services has included in its budgets several items to address the impact of the DRA. Fifty total additional positions are recommended in the *Executive Budget*; thirty of those are family support specialists. The agency intended to reduce the number of New Employees of Nevada (NEON) to 40 cases assigned to each employment and training worker which is what the family support specialists represent. The agency is projecting an increase in the number of NEON cases beginning in FY 2007-2008 resulting in over 100 cases for each position. The Division will be unable to intensify its effort with respect to the NEON cases and get more of the TANF and the NEON recipients working. Clients previously excluded from work requirements are now required to participate in work requirements and are included in the NEON caseload projection. The Subcommittee may wish to explore some of the strategies and business process improvements the Division is pursuing as well as whether the Division should primarily focus the efforts of the new positions on hard-to-serve cases.

ASSEMBLYWOMAN BUCKLEY:

It seems we are going in a different direction since the first hearing. If we are, and we are not going to have the caseworkers working with the hard to serve, I hope we are not going with the loss of cash grant if a client is not working. Will the Subcommittee receive a revised plan?

MR. KRMPOTIC:

I am not aware of a revised plan to be submitted by the Division. The Division has issues such as its capacity to train new employees and the availability of office space. The Division has suggested the possibility of coming to the IFC to add positions during the interim. These positions are funded with the TANF funds.

ASSEMBLYWOMAN BUCKLEY:

The Division could submit information on the strategies they plan to employ to increase work participation. Does the Division plan to partner with existing agencies to prevent the duplicate services? What are the potential business process improvements? How will the Division work with the hard-to-serve cases? How will the new federal requirements be met?

CHAIR CEGAVSKE:

We will have staff request that information.

MR. KRMPOTIC:

The budgets recommend approximately \$850,000 to increase the NEON program services. The NEON services include training and transportation for the TANF recipients. The Division continues to under spend in the TANF services category for the upcoming biennium. The provisions of the DRA go into effect October 1, 2007. The Division has restructured its contracts to make the provision of the NEON contracts easier and more efficient. The Division is pursuing a subsidized on-the-job training program.

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CHAIR LESLIE:

Do we know what the Division is doing to implement the DRA? Was the DRA implemented in October 2006?

MR. KRMPOTIC:

In FY 2005-2006, the NEON program services budget expenditures equaled about half of the total budget. In the current biennium, there is \$2.5 million budgeted; just over \$1 million has been spent. Staff has not seen an increase in program expenditures.

CHAIR LESLIE:

If they are not spending the money, they are probably not doing a lot. I would like a report requesting what the Division is doing now and when the program will begin.

MR. KRMPOTIC:

The Division has indicated additional General Funds are necessary based on the revised cost allocation. An additional \$700,000 in General Funds is required where the Division's emphasis is placed on food stamps or Medicaid cases. The Subcommittee may want to consider using the Food Stamp High Performance Bonus funding to mitigate part of the General Fund increase.

Several recommendations have been made subsequent to a performance audit on child support. Assembly bills have been introduced to address some of the audit recommendations. No budget amendments have been submitted to augment funding to implement the audit recommendations. The audit recommendations' total cost to the State is \$15.3 million in each year of the biennium. The Assembly Ways and Means Committee has requested a bill to fund the State's share of a Nevada Operations of Multi-Automated Data Systems' feasibility study totaling \$350,000. The Subcommittee may want to know if the Division has the ability to recommend any of the audit recommendations.

CHAIR CEGAVSKE:

Please ask the Division to provide that information.

CHAIR LESLIE:

I would like a status report from the Division on the audit recommendations. It does not look like much progress has been made since the last hearing.

CHAIR CEGAVSKE:

Staff will work with the Division to provide that information.

HUMAN SERVICES

AGING SERVICES

HHS - Senior Services Program – Budget Page AGING-17 (Volume II)
Budget Account 101-3146

RICK COMBS (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The issues with the Division for Aging Services, B/A 101-3146, are the three Medicaid waiver programs and the 302 new slots recommended in the *Executive Budget* for the three programs. The Division projected serving 1,300 Community Home-Based Initiatives Program (CHIP) clients by the end of this fiscal year. The 2005 Legislature budgeted enough funds for the Division to be at 1,617 individuals by the end of FY 2006-2007. In addition to the difference between what the Division was projected to serve and what they were budgeted to serve, there was also a request in the budget for 169 additional CHIP slots. At the direction of the Subcommittee, the Division has reviewed their projections in an attempt to develop a more reasonable approach to adding new CHIP slots. The Division has indicated decision unit M-541, which included 73 waiver slots and 2 social worker positions to manage those slots, be eliminated from the budget. With the new projections, the Division is aggressively thinking they will be at 1,416 cases by the end of this fiscal year. That number is still 201 slots less than what was budgeted by the 2005 Legislature. Whether or not getting to the total number of slots can happen, even with the elimination of the 73, is still a question.

M-541 Mandates – Olmstead — Page AGING-21

The Waiver for the Elderly Persons in Adult Residential Care program has 20 slots requested for demographic growth and an additional 25 slots requested for expansion of the waiver to people in the community rather than in a hospital or nursing home. There were 34 additional slots to help address the wait list. There are currently 95 people on the wait list for the program. The average time on the wait list, over the last six months, has been 58 days. The projection is to serve 319 clients, 40 more slots than available in this biennium. The Division is using funds not spent on the CHIP waiver and the assisted-living waiver to fund the additional slots. Additional slots probably should be added in the next biennium.

With respect to assisted-living waivers, the new affordable assisted-living facility in southern Nevada is not going to come online before the last quarter of the 2007-2009 biennium. The Division budgeted 54 new slots, the number the new facility requires. The request has been revised to 10 slots in March 2009 and 25 slots in April, May and June 2009. The Division intends to defer the new social worker position requested until the facility is running at full speed.

CHAIR LESLIE:

I would like the Division to review, again, the projections with staff. We need to be sure we are approving only the number of slots that can be served by the Division.

CHAIR CEGAVSKE:

Is there any public testimony to come before this Subcommittee?

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JAN GILBERT (Progressive Leadership Alliance of Nevada):
During the Welfare Division budget today there was no mention of the reserve and grant increases. We hope you will continue to keep these items on the top burner.

CHAIR CEGAVSKE:
There being no further business to come before this Subcommittee, the meeting is adjourned at 10:46 a.m.

RESPECTFULLY SUBMITTED:

Sandra K. Small,
Committee Secretary

APPROVED BY:

Senator Barbara K. Cegavske, Chair

DATE:_____

Assemblywoman Sheila Leslie, Chair

DATE:_____