

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

**Seventy-fifth Session  
May 5, 2009**

The Joint Subcommittee on Human Services/CIPS of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Bob Coffin at 8:11 a.m. on Tuesday, May 5, 2009, 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 Bob Coffin, Chair  
Senator Bernice Mathews  
Senator William J. Raggio

**ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:**

Assemblywoman Sheila Leslie, Chair  
Assemblyman John Ocegüera, Vice Chair  
Assemblywoman Barbara E. Buckley  
Assemblywoman Heidi S. Gansert  
Assemblyman Joseph (Joe) P. Hardy  
Assemblywoman Debbie Smith

**SUBCOMMITTEE MEMBERS ABSENT:**

Assemblyman Morse Arberry Jr. (Excused)

**STAFF MEMBERS PRESENT:**

Steven J. Abba Principal Deputy Fiscal Analyst  
Michael J. Chapman, Senior Program Analyst  
Gary L. Ghiggeri, Senate Fiscal Analyst  
Rex Goodman, Program Analyst  
Michael Archer, Committee Secretary

**OTHERS PRESENT:**

Harold Cook, Ph.D., Administrator, Division of Mental Health and Developmental Services, Department of Health and Human Services  
Diane J. Comeaux, Administrator, Division of Child and Family Services, Department of Health and Human Services  
LaVonne Brooks, Northern Nevada Association of Service Providers  
Leslie Spracklin, Chief Executive Officer, Fallon Industries  
Stephanie Pohl, Trinity Services

CHAIR LESLIE:

We will open the hearing on the budget for the Division of Mental Health and Developmental Services (MHDS), Department of Health and Human Services (DHHS).

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

Before we get to the budget closing, we need to address an issue from the Northern Nevada Adult Mental Health Services (NNAMHS) budget closing Subcommittee meeting of April 14, 2009. At that time, there was a discussion about whether to add back \$300,000 in General Fund appropriations each year to the budget for medication costs in order to address projected caseload increases in the Medication Clinics. After reviewing action taken by the Subcommittee, we noted that the Senate approved two different closing actions on that issue.

This is explained in detail on page 1 of the Joint Subcommittee on Human Resources/CIPS Closing List No. 8 ([Exhibit C](#), original is on file in the Research Library). Page 2 of [Exhibit C](#) describes the motions that were taken that morning. The first motion was to approve the Governor's recommendation to eliminate the 21 positions in decision units M-160 and E-633 combined, but to add back \$300,000 in each year of the biennium for medication costs. That vote passed on the Senate side of the Subcommittee by a margin of 2 to 1 but failed on the Assembly side.

## HUMAN SERVICES

### MENTAL HEALTH AND DEVELOPMENTAL SERVICES

HHS - Northern Nevada Adult Mental Health Svcs – Budget Page MHDS-21  
(Volume II)

Budget Account 101-3162

M-160 Position Reductions Approved in 07-09 – Page MHDS-24

E-633 Eliminate or Reduce New Prog Not Yet Implemented – Page MHDS-27

The second motion was made to approve the Governor's recommendation as just described, but not add back the \$300,000 each year for medication costs; instead allow the Division to approach the Interim Finance Committee (IFC) to request additional funding, if current funding approved in the Governor's budget is not sufficient.

The vote on the second motion passed on the Senate side by a margin of 2 to 1. It also passed on the Assembly side. We now need the Senate members to decide whether they wish to add back the \$300,000 in medication funding consistent with the first motion, or to approve issuing a letter of intent directing the Division to come before the IFC if they need additional funding for medication costs and not add back the \$300,000.

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SENATOR RAGGIO MOVED TO RESCIND THE MOTION TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THE 21 POSITIONS IN DECISION UNITS M-160 AND E-633 COMBINED, AND TO ADD BACK \$300,000 IN EACH YEAR OF THE BIENNIUM FOR MEDICATION COSTS.

SENATOR MATHEWS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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CHAIR LESLIE:

We will now hear Budget Account (B/A) 101-3648, Rural Clinics.

HHS - Rural Clinics – Budget Page MHDS-106 (Volume II)  
Budget Account 101-3648

MR. CHAPMAN:

During its April 14, 2009 meeting, the Subcommittee approved the "alternative plan" which restores 9 of the 11 clinics recommended for closure in the *Executive Budget*. Part of that plan was the elimination of a clinical program manager and the addition of approximately 4.49 full-time equivalent (FTE) mental health counselor positions and 7.98 FTEs for mental health technicians and a clinical program manager. A number of the new positions were intended to be reclassifications of existing positions. Those reclassifications are summarized in the chart on page 4 of [Exhibit C](#).

Staff recommends reclassifying these eight positions as noted. This does not affect the total position count or funding approved under the "alternative plan."

SENATOR COFFIN MOVED TO APPROVE THE POSITION RECLASSIFICATIONS IN B/A 101-3648 AS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now discuss the budget for the other Developmental Services agencies of MHDS.

MR. CHAPMAN:

I will now discuss certain issues common to the regional centers before I address the individual budgets for the Desert Regional Center (DRC), the Sierra Regional Center (SRC) and the Rural Regional Center (RRC).

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HHS - Sierra Regional Center – Budget Page MHDS-87 (Volume II)  
Budget Account 101-3280

HHS - Desert Regional Center – Budget Page MHDS-75 (Volume II)  
Budget Account 101-3279

HHS - Rural Regional Center – Budget Page MHDS-41 (Volume II)  
Budget Account 101-3167

On page 5 of [Exhibit C](#), you will note the Governor recommends appropriations of \$179.7 million in the 2009-2011 biennium. This is approximately an 8.8 percent increase over legislatively approved amounts for the 2007-2009 biennium.

The *Executive Budget* recommends eliminating 12.01 FTEs, which results in funding reductions. The reductions are recommended as follows:

- 1.51 FTE custodial positions currently filled due to the decrease in individuals residing in, and support staff working at, the SRC campus, as well as a vacant administrative assistant position in order to meet recommended budget reductions. The Agency testified these positions are no longer needed, as there are no individuals permanently living on campus, as well as fewer Agency staff requiring the need for these positions. The recommendation to eliminate these positions appears reasonable to staff.
- A total of 9 FTE vacant positions supporting the Crisis Prevention and Intervention Teams approved by the 2007 Legislature: Six of the positions are at SRC; three are at the DRC. The three positions at DRC were not established or filled during the 2007-2009 biennium due to budget shortfalls. Elimination of the six vacant positions at SRC leaves the Agency with five positions staffing its team. The SRC is not staffed to support institutional beds. During the Work Session on March 24, 2009, the Subcommittee reviewed these positions and determined that, while needed, they are not essential, and expressed its preference to approve the Governor's recommendation to eliminate the crisis team positions.

CHAIR LESLIE:

If there is no further discussion, the Chair will accept a motion.

SENATOR MATHEWS MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE 1.51 FTE CUSTODIAL POSITIONS; THE ADMINISTRATIVE ASSISTANT POSITION AT SRC; AND THE 9 FTE POSITIONS APPROVED BY THE 2007 LEGISLATURE SUPPORTING THE CRISIS PREVENTION TEAMS.

SENATOR RAGGIO SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now discuss the contract support for quality assurance programs.

MR. CHAPMAN:

The *Executive Budget* eliminates a General Fund appropriation of \$124,476 in fiscal year (FY) 2009-2010 and \$139,039 in FY 2010-2011 used to support contract services for quality assurance programs. These quality assurance services are provided by a contract with the University of Nevada, Reno which provides for the collection of quality improvement data from personal outcome interviews, focus groups and future planning services, which is used for accreditation and national comparisons. Also, a contract with the Council on Quality and Leadership is being reduced by eliminating training and consultation support for accreditation activities. During prior work sessions and budget hearings the Division testified that much of this work will now have to rely on internal resources to promote best business practices. During the Work Session of March 24, 2009, it was noted that the Federal Medical Assistance Percentages (FMAP) add-back list does not include the restoration of funding to support these services. At that time it was the Subcommittee's initial preference to approve the Governor's recommendation to reduce funding for quality assurance services. Does the Subcommittee wish to approve the Governor's recommendation to reduce General Fund appropriations for assurance services by \$124,476 in FY 2009-2010 and \$139,039 in FY 2010-2011, based upon the Subcommittee's preference expressed during the March 24 Work Session?

SENATOR COFFIN MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO REDUCE GENERAL FUND APPROPRIATIONS FOR QUALITY ASSURANCE SERVICES BY \$124,476 IN FY 2009-2010 AND \$139,039 IN FY 2010-2011.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now discuss the self-directed fiscal intermediary program.

MR. CHAPMAN:

This program has two elements. In the first, the *Executive Budget* recommends removing a total of 49 families from the program by reducing the program eligibility from 500 percent of federal poverty level to 300 percent. This is summarized in the chart on page 7 of [Exhibit C](#).

In response to the Subcommittee's questions posed during the March 24, 2009, Work Session, the Division indicated that Developmental Services changed the financial eligibility level effective January 1, 2009. This affected 49 families. In the second element, the Governor's budget reduces the monthly allocations to Level 1 families by \$198 per month, from \$686 to \$488. The Division's FMAP add-back list does not include the restoration of monthly payments back to pre-budget reduction levels.

During the Work Session of March 24, 2009, the Subcommittee did not make an initial determination whether to accept the Governor's recommendation to reduce the number of families participating in the fiscal intermediary program or the reduction in monthly payments.

Option 1: does the Subcommittee wish to approve the Governor's recommendation to reduce participation in the fiscal intermediary program by 49 families by reducing eligibility from 500 percent to 300 percent of the federal poverty level? If the Governor's recommendation is not approved, General Funds totaling \$269,025 in each year of the biennium will need to be added to the applicable regional center budgets.

Option 2: does the Subcommittee wish to approve the Governor's recommendation to reduce funding for self-directed fiscal intermediary services by reducing the monthly allotments from \$686 to \$488 per month for Level 1 families, and from \$338 to \$263 per month for Level 2 families? If the Governor's recommendation is not approved, General Funds totaling \$689,508 in each year must be added to the regional center budgets.

CHAIR LESLIE:

Have both these items been reduced in the current year?

MR. CHAPMAN:

Both programs have been reduced in both years of the current biennium. In addition, the 49 families were reduced on January 1, 2009.

CHAIR LESLIE:

This is a continuation of a budget cut that has already been implemented.

SENATOR COFFIN:

Although they were implemented, I still disagree with these unilateral reductions made by the Governor. Mr. Chapman, how many total families participating in the self-directed fiscal intermediary program have had their benefits cut?

MR. CHAPMAN:

There are 302 families currently in the program. Elimination of the 49 families will result in 253 families receiving reduced payments.

SENATOR COFFIN:

These are sizable cuts to funding we budgeted in the 2007 Session. I do not approve of the Governor making these changes without Legislative approval. I do not like this trend of going along with cuts the Governor made without our approval. What will it cost to add back these funds?

CHAIR LESLIE:

If we do not reduce participation of the 49 families, the addback will be \$269,025 in each year of the biennium. If we do not reduce the monthly allotments to families participating in the self-directed fiscal intermediary program, the addback would be \$688,508 in each year.

ASSEMBLYWOMAN BUCKLEY:

I share Senator Coffin's concerns. While reviewing this budget from the beginning, we have made it a priority not to cut people off from their health insurance or their autism or mental health treatment. We have constructed suggested restorations to the Governor's budget based on that principle. Because this happened before we started our work, and because we have already constructed these budgets, while unfortunate, we should approve the recommended cuts. This will allow us to have the money to restore it in the other items that we have painstakingly approved over the last month.

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE PARTICIPATION IN THE FISCAL INTERMEDIARY PROGRAM BY 49 FAMILIES BY REDUCING ELIGIBILITY REQUIREMENTS FROM 500 PERCENT TO 300 PERCENT OF THE FEDERAL POVERTY LEVEL; AND TO REDUCE FUNDING FOR SELF-DIRECTED FISCAL INTERMEDIARY SERVICES BY REDUCING THE MONTHLY ALLOTMENTS.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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CHAIR LESLIE:

We will now discuss supported living arrangement (SLA) agreements.

MR. CHAPMAN:

The Governor recommends a reduction in General Fund appropriations of \$1 million in each year of the biennium in SLA placements that were previously approved by the 2007 Legislature.

There are two elements for implementing this reduction. The first is to reduce existing funding contracts at the RRC. The second method would be to eliminate 21 SLA placements at the DRC and 9 SLA placements at the SRC.

For the RRC, the Governor recommends reducing the average funding for existing SLA clients by reducing the number of provider staff hours. Fewer staff hours for clients will result in curtailment of living options available for recreation and leisure activities, but health and safety needs will remain.

On page 9 of [Exhibit C](#) is a chart summarizing the Governor's overall recommendations for the SLAs in the three regions as they affect the

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Adjusted Base Budget and decision units M-200 and E-665 for the DRC and the SRC and M-200 for the RRC.

M-200 Demographics/Caseload Changes – Page MHDS-77

E-665 Program Reductions/Reductions to Services – Page MHDS-81

M-200 Demographics/Caseload Changes – Page MHDS-89

E-665 Program Reductions/Reductions to Services – Page MHDS-92

M-200 Demographics/Caseload Changes – Page MHDS-43

As the chart indicates, there is a net increase of 254 placements. As of January 31, 2009, 319 individuals were awaiting residential placements at the DRC, 167 at the SRC and 56 at the RRC. The Division's FMAP add-back priority list does not include restoration of this funding for these service reductions.

During the Work Session of March 24, 2009, the Subcommittee's initial preference was to approve the Governor's recommendation to reduce funding for SLA placements in all three regions, given the recommended increases in module M-200. Does the Subcommittee wish to approve the Governor's recommendation to reduce funding by reducing existing client SLA contracts at the RRC, as well as eliminating funding for 21 SLA placements at the DRC and 9 SLA placements at the SRC, based upon the Subcommittee's preference expressed during the March 24 Work Session?

SENATOR COFFIN MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO REDUCE FUNDING BY REDUCING EXISTING CLIENT SLA CONTRACTS IN B/A 101-3167, AS WELL AS ELIMINATING FUNDING FOR 21 SLA PLACEMENTS IN B/A 101-3279 AND 9 SLA PLACEMENTS IN B/A 101-3280.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN OCEGUERA WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now discuss jobs and day training (JDT) placements for the RRC and the DRC.

MR. CHAPMAN:

In decision units E-662 and E-664 the Governor recommends reductions of \$1.4 million in General Fund appropriations each year of the biennium by eliminating a combination of 33 JDT placements and reductions in funding for existing JDT services at the RRC. The other element of this reduction is the elimination of 152 JDT placements at the DRC in decision unit E-664. The



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Governor's recommendation is a continuation of funding reductions made to this program by the 2007 Legislature, though by a slightly reduced amount.

E-662 Program Reductions/Reductions to Services – Page MHDS-46

E-664 Program Reductions/Reductions to Services – Page MHDS-80

I have included a chart on page 9 of [Exhibit C](#) summarizing the impact of these reductions. The net increase will be 61 additional placements across the State. The Division's FMAP add-back priority list does not include restoration of this funding for these service reductions.

During the Work Session of March 24, 2009, the Subcommittee directed the Division to work with Fiscal Staff in evaluating and possibly reallocating some of the new placements recommended for the SRC to the DRC, the RRC, or both. Subsequent to the Work Session, Fiscal Staff and the Division evaluated the number of new placements recommended for each region, as well as the number of FY 2008-2009 placements that were held open during the current interim period but are restored in the Base Budget beginning July 1, 2009. Another factor to be considered is each region developed its funding requirements based upon identifying which programs have the highest demand for services. Based on these discussions, Fiscal Staff believes no adjustments to the recommended JDT placements are necessary at this time and suggest allowing the Division flexibility in meeting the service needs of its clients in each region through work program changes when warranted.

Does the Subcommittee wish to approve the Governor's recommendation to reduce funding by reducing existing client JDT contracts at the RRC, as well as eliminating funding for 152 JDT placements at the DRC and 33 placements at the RRC, based upon the Subcommittee's preference expressed during the Work Session?

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO REDUCE FUNDING BY REDUCING EXISTING CLIENT JDT CONTRACTS IN B/A 101-3167; AND ELIMINATING FUNDING FOR 152 JDT PLACEMENTS IN B/A 101-3279 AND 33 PLACEMENTS IN B/A 101-3167.

SENATOR COFFIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN OCEGUERA WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now discuss Self-Directed Autism Services.

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MR. CHAPMAN:

The Governor recommends General Fund reductions of \$180,600 in each year of the biennium by eliminating allocations to 14 families participating in the self-directed autism program. Eight of the families are supported through the RRC and six through the SRC. Information on page 9 of [Exhibit C](#) describes how the program has evolved over the last two biennia. During the 2007-2009 biennium, the Division delayed the start of autism allocations to these families in order to achieve budget reductions for this biennium.

E-666 Program Reductions/Reductions to Services – Page MHDS-47

E-666 Program Reductions/Reductions to Services – Page MHDS-92

During the Work Session of March 24, 2009, an enhanced autism program was discussed which would include a proposed waiver to the State Medicaid Plan to provide in-home intensive behavioral intervention services to 110 families. This add-back item mirrors a fiscal note attached to Assembly Bill (A.B.) 162.

[Assembly Bill 162](#): Requires certain policies of health insurance and health care plans to provide coverage for screening for and treatment of autism.  
(BDR 57-44)

However, A.B. 162 was amended on April 20, 2009, which removes the State Medicaid Plan from the requirement to provide autism coverage. This amendment removes the fiscal note. The Subcommittee indicated during the Work Session its preference to restore General Fund appropriations of \$180,600 each year which would allow 14 families to receive monthly allocations in the self-directed autism program.

Does the Subcommittee wish to restore General Fund appropriations of \$180,600 in each year of the biennium to provide monthly allocations to 14 families in the self-directed autism program?

CHAIR LESLIE:

Is the self-directed autism program for children with both autism and mental retardation?

MR. CHAPMAN:

That is correct. They must meet both criteria to be eligible for these allotments.

SENATOR COFFIN MOVED TO APPROVE THE RESTORATION OF GENERAL FUND APPROPRIATIONS OF \$180,600 EACH YEAR TO PROVIDE MONTHLY ALLOCATIONS TO 14 FAMILIES IN THE SELF-DIRECTED AUTISM PROGRAM IN B/A 101-3167 AND B/A 101-3280.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN OCEGUERA WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now discuss respite care service agreements for the DRC and the SRC in decision unit E-667.

MR. CHAPMAN:

The Governor recommends General Fund reductions of \$216,150 in FY 2009-2010 and \$266,150 in FY 2010-2011 by reducing funding support for respite services and purchase of service agreements that support families in the care of members with developmental disabilities or related conditions. This would reduce the purchase of services program providing financial assistance through monthly allotments to families participating in the program. The Division notes that while these funds will be reduced, it was their intention to continue to provide payments to all who participate in the program.

E-667 Program Reductions/Reductions to Services – Page MHDS-81

E-667 Program Reductions/Reductions to Services – Page MHDS-93

In response to questions posed by the Subcommittee during the Work Session, the Division estimates that 107 families will see reductions in their allotments under the Governor's recommended funding reductions. These agreement adjustments will provide for fewer discretionary opportunities, such as school-break daycare and summer camps. The Division seeks, in its FMAP add-back list, restoration of funding for the RRC. During the Work Session, the Subcommittee's preference was to add back General Fund appropriations to restore the monthly allotments to previously approved funding levels for families participating in the respite purchase of service programs.

Does the Subcommittee wish to restore General Fund appropriations of \$216,150 in FY 2009-2010 and \$266,150 in FY 2010-2011 to restore funding to previously approved funding levels for the respite purchase of services programs?

SENATOR COFFIN MOVED TO APPROVE GENERAL FUND APPROPRIATIONS OF \$216,150 IN FY 2009-2010 AND \$266,150 IN FY 2010-2011 TO RESTORE FUNDING TO PREVIOUSLY APPROVED LEVELS FOR THE RESPITE PURCHASE OF SERVICES PROGRAMS IN B/A 101-3279 AND B/A 101-3280.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN OCEGUERA WAS ABSENT FOR THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now discuss caseload increases.

MR. CHAPMAN:

Pages 10 and 11 of [Exhibit C](#) describe the Agency's budget to support caseload increases for an increase of 31 or 32 FTE positions across the three regions. However, as with the previously discussed regional centers, there is apparently now some funding available in the Governor's budget to fund these placements, but not to fund the positions to support them. During the Division's budget hearing, the Administrator noted that while it will impose additional workload for its existing staff, they indicated they could support these additional placements.

Fiscal Staff has become aware of an issue addressing the recommended new community-based waiver slots for the MHDS. Historically, new waiver slots are budgeted in the M-200 caseload package based upon a percentage of eligibility, approximately 80 percent of all recommended new placements. When individuals who are Medicaid-eligible are admitted into the MHDS programs, the costs for community supports, residential, jobs and day training, etc., are funded by reimbursements from Medicaid and the General Fund match built into the regional budgets. However, the medical costs associated with waiver-eligible individuals are covered in the Medicaid budget, B/A 101-3243, with Medicaid funds and the General Fund match in that budget. While the recommended new waiver slots in the MHDS are fully funded in each of the regional centers, the General Fund match for the State's share of medical costs for these slots is not included in the Medicaid account. The latest estimate of General Fund appropriations that needs to be added back to the Medicaid account to cover the State's share of medical costs is \$136,658 in FY 2009-2010 and \$459,803 in FY 2010-2011.

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##### HCF&P - Nevada Medicaid, Title XIX – Budget Page DHCFP-26 (Volume II) Budget Account 101-3243

The Subcommittee has two options. The first is to approve the restoration of the General Fund appropriation into the Medicaid account. The second would allow the Division to absorb these costs within their regional center budgets. They may have to adjust contracts for the waiver slots to save some cost, or possibly not fill all the waiver slots and hold a few open to meet those savings.

CHAIR LESLIE:

If we allowed them to make that adjustment, would there be a zero addback? Can they make adjustments within their budget to cover the medical costs?

MR. CHAPMAN:

That is correct.

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

If no additional General Fund appropriation is available, we can adjust our budget by the amounts Mr. Chapman indicated. It would be cost neutral. We

would have to reduce a few waiver slots; however, there would still be a large net increase in waiver slots.

SENATOR COFFIN MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO FUND 284 SLA AND 246 JDT PLACEMENTS PHASED IN DURING THE 2009-2011 BIENNIUM; TO APPROVE THE ADDITION OF GENERAL FUNDS TO THE NEVADA MEDICAID ACCOUNT IN THE AMOUNT OF \$136,658 IN FY 2009-2010 AND \$459,803 IN FY 2010-2011 TO COVER THE STATE'S PORTION OF MEDICAL COSTS FOR THE NEW WAIVER SLOTS IN THE MHDS; AND TO ALLOW FLEXIBILITY FOR FISCAL STAFF TO WORK WITH THE MHDS TO MAKE THIS COST NEUTRAL TO THE GENERAL FUND.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:  
We will now discuss the FMAP.

MR. CHAPMAN:  
The passage of the American Recovery and Reinvestment Act of 2009 (ARRA) provided an enhanced FMAP reimbursement rate for the State. The chart on page 12 of [Exhibit C](#) shows the increase in Medicaid reimbursements for the MHDS. In FY 2009-2010, the amount will be \$8,322,095 and \$5,962,621 in FY 2020-2011. As the Subcommittee may recall, the additional Medicaid revenues arising from the ARRA increase in the FMAP were approved during the Division's first budget closing on April 14, 2009.

However, since that time, an error was noted in the calculation of the increase for the SRC which results in a decrease of \$150,094 in FY 2010-2011. Accordingly, additional Medicaid receipts in FY 2010-2011 are decreased from \$6,113,525, as approved by the Subcommittee on April 14, 2009, to \$5,962,621. Fiscal Staff recommends the Subcommittee amend its previous approval, recognizing the decrease in Medicaid receipts of \$150,904, with a corresponding increase in General Fund appropriations in FY 2010-2011.

Lastly, the Federal Funds Information for States recently released its preliminary FMAP projections for federal fiscal year (FFY) 2010-2011 which, if established, increases the blended FY 2010-2011 FMAP rate from 56.97 percent, based upon the passage of the ARRA, to 57.92 percent. Accordingly, the increase in the blended FMAP for FY 2010-2011 is projected to generate an additional \$1.1 million. Fiscal Staff recommends the Subcommittee amend its previous approval, recognizing the decrease in Medicaid receipts of \$150,904, with a corresponding increase in General Fund appropriations of \$1.1 million in FY 2010-2011 in Medicaid receipts, which can be used to reduce General Fund appropriations in the applicable MHDS accounts by the same amount.

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Fiscal Staff also recommends the Division's budgets be closed reflecting a revised increase in Medicaid Title XIX receipts of \$8,322,095 in FY 2009-2010 and \$5,962,621 in FY 2010-2011, with corresponding reductions in General Fund appropriations. Staff also recommends an additional increase in Medicaid receipts of \$1.1 million in FY 2010-2011, based upon the projected increase in the FMAP just discussed.

SENATOR COFFIN:

Will this require us to formally rescind our previous motion of April 14, 2009?

MR. CHAPMAN:

No.

SENATOR COFFIN MOVED TO AMEND THE SUBCOMMITTEE'S PREVIOUS APPROVAL, RECOGNIZING THE DECREASE IN MEDICAID RECEIPTS OF \$150,904, WITH A CORRESPONDING INCREASE IN GENERAL FUND APPROPRIATIONS IN FY 2010-2011; AND APPROVING A REVISED INCREASE IN MEDICAID TITLE XIX RECEIPTS OF \$8,322,095 IN FY 2009-2010 AND \$5,962,621 IN FY 2010-2011 WITH CORRESPONDING REDUCTIONS IN GENERAL FUND APPROPRIATIONS; AND APPROVE AN ADDITIONAL INCREASE IN MEDICAID RECEIPTS OF \$1.1 MILLION IN FY 2010-2011 BASED ON THE PROJECTED INCREASE IN THE FMAP.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now hear the budget for the Rural Regional Center.

MR. CHAPMAN:

Since we have discussed much of this budget previously in today's meeting, the only item I would note is decision unit E-710 of B/A 101-3167 as described on page 14 of [Exhibit C](#).

E-710 Replacement Equipment – Page MHDS-49

The recommendation to replace equipment appears reasonable to Staff.

Does the Subcommittee wish to close the remainder of the Rural Regional Center budget as recommended by the Governor? If so, Staff requests authority to make adjustments to salary and fringe benefits based upon actions taken by the 2009 Legislature, as well as to make technical adjustments for final assessments for the Department of Information Technology (DoIT), Attorney General (AG), Statewide Cost Allocation Plan and similar items.



SENATOR COFFIN MOVED TO CLOSE THE REMAINDER OF B/A 101-3167 RECOMMENDED BY THE GOVERNOR; AND GRANT AUTHORITY FOR STAFF TO MAKE ADJUSTMENTS TO SALARY AND FRINGE BENEFITS BASED UPON ACTIONS TAKEN BY THE 2009 LEGISLATURE; AS WELL AS TO MAKE TECHNICAL ADJUSTMENTS FOR FINAL ASSESSMENTS FOR THE DOIT, THE AG, STATEWIDE COST ALLOCATION PLAN AND SIMILAR ITEMS.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now hear the budget for the Desert Regional Center.

MR. CHAPMAN:

Although we discussed a number of items in this budget today, additional items require the Subcommittee's attention. On page 16 of [Exhibit C](#) is a description of decision unit E-668.

#### E-668 Program Reductions/Reductions to Services – Page MHDS-81

The 2007 Legislature approved the transitioning of 18 individuals from 3 privately operated institutional care facilities that are supported in the Medicaid budget, to SLAs and JDTs provided by DRC. The recommendation was approved as part of the DHHS's continuing efforts to meet the less-restrictive settings criteria as outlined in the Olmstead decision. However, as part of the 2007-2009 budget reduction initiative, the Agency delayed the placement of 12 individuals. The *Executive Budget* recommends eliminating the community support placements for the 12 individuals in the 2009-2011 biennium, with associated funding reductions of \$1.2 million. The Division notes these 12 individuals will continue to reside in the facilities where they are currently located and will not impact the State's continuing efforts to meet Olmstead criteria. Since the action to move these 12 individuals from private intermediate care facilities for the mentally retarded (ICF/MR) to community placements was not implemented in the 2007-2009 biennium, the recommendation in this decision unit appears reasonable to staff. Does the Subcommittee wish to approve the Governor's recommendation to eliminate the transition of 12 individuals from ICF/MR private placements to supported living arrangements as approved by the 2007 Legislature?

ASSEMBLYWOMAN BUCKLEY:

With the understanding that they will continue to have their care paid for by Medicaid, I will make a motion.

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ELIMINATE THE TRANSITION OF 12 INDIVIDUALS FROM ICF/MR PRIVATE PLACEMENTS TO SUPPORTED

LIVING ARRANGEMENTS AS APPROVED BY THE 2007 LEGISLATURE.

SENATOR COFFIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. CHAPMAN:

The other closing items in this budget are in decision unit E-710.

#### E-710 Replacement Equipment – Page MHDS-83

The Governor recommends General Fund appropriations of \$58,378 in the 2009-2011 biennium for replacement equipment including one file server and antivirus software, as well as replacing the living room and dining room furniture in the eight cottages. The estimate from a private manufacturer for the institutional furnishings was \$50,663. The Agency notes that standard furnishings from local furniture retailers do not stand up to the abuse seen from individuals with aggressive behaviors or the soiling of upholstery from individuals who are incontinent. In response to the Subcommittee's directive during the budget hearing on February 26, 2009, the Agency obtained a quote from Silver State Industries of the Department of Corrections for the same furnishings in the amount of \$33,468. This price includes a contingency for unforeseen costs or transportation increases between quote date and July 1, 2009, when funding becomes available. Based upon the information provided by the Agency, Fiscal Staff recommends reducing the cost and related General Fund appropriations for replacement furnishings by \$17,195, the difference between the two quotes, in FY 2009-2010. The recommendation for the remaining replacement equipment appears reasonable to staff.

In decision unit E-805, the Governor recommends reclassifying a physical therapist to a registered dietician III, and eliminating a 0.50 FTE speech pathologist position resulting from the recommendation to eliminate the Southern Food Services budget account B/A 101-3159. Two of the three dieticians in the Southern Food Services budget, one of which is currently assigned to DRC, are to be transferred to the Southern Nevada Adult Mental Health Services (SNAMHS), with the third dietician transferred to the Southern Nevada Child and Adolescent Services.

#### E-805 Classified Position Reclassifications – Page MHDS-84

HHS - Southern Food Service – Budget Page MHDS-1 (Volume II)  
Budget Account 101-3159

The Division notes that the growth in inpatient beds, as well as increased complexities in client morbidity issues, necessitates the need for a second dietician at the SNAMHS. The combined reclassification of the two positions, and the elimination of the third, result in overall salary savings of \$46,070 in FY 2009-2010 and \$46,549, in FY 2010-2011. The DRC seeks to use the



savings to purchase contract speech and physical therapy services needed to comply with federal and State regulations. In response to Subcommittee questioning, the Agency notes there are over 50 contract Medicaid providers who provide these services. Additional information provided by the Division, which is included in the *Executive Budget*, displays the DRC funding equally, splitting the cost of one of the dieticians transferred to the SNAMHS to provide additional dietary services to the Agency and cross-training opportunities for the affected positions. Based upon information provided by the Division, the recommendation to reclassify a physical therapist to a registered dietician position, eliminate a 0.50 FTE speech pathologist position, and use resulting salary savings to support contract speech and physical therapy services appears reasonable to Staff.

Decision units E-902 and E-502 cover the transfer of food costs from the Southern Nevada Food Services budget.

E-902 Transfers Out to 3279– Page MHDS-84

E-502 Adjustments - Transfers In – Page MHDS-78

As previously noted, the *Executive Budget* recommends eliminating the Southern Nevada Food Services budget. This includes providing prepared meals for 22 beds and raw food costs for 26 beds participating in an independent cooking program. Module E-902 transfers in raw food costs of \$79,979, and module E-502 is intended to realign raw food costs and eliminate the transfer of DRC revenues to the Southern Nevada Food Services. However, module E-502, as recommended, duplicates raw food costs and associated revenues which are already included in the Base Budget. Additionally, the amount budgeted for meals and raw food in the DRC Base Budget does not match the amount transferred into the Southern Nevada Food Services Base account. Staff, with assistance from the Division, has evaluated the costs for prepared meals, snacks and raw food costs for the independent cooking program and determined the costs included in the *Executive Budget* are overstated by \$122,900 in FY 2009-2010 and \$120,203 in FY 2010-2011. Accordingly, Staff recommends an adjustment to reduce funding for food costs by \$122,900 in FY 2009-2010 and \$120,203 in FY 2010-2011.

ASSEMBLYMAN OCEGUERA MOVED TO CLOSE THE REMAINDER OF B/A 101-3279 AS RECOMMENDED BY THE GOVERNOR; REDUCE THE COST AND RELATED GENERAL FUND APPROPRIATIONS FOR REPLACEMENT FURNISHINGS BY \$17,195 IN DECISION UNIT E-710; RECLASSIFY A PHYSICAL THERAPIST TO A REGISTERED DIETICIAN POSITION AND ELIMINATE A 0.50 FTE SPEECH PATHOLOGIST POSITION AND USE THE RESULTING SALARY SAVINGS TO SUPPORT CONTRACT SPEECH AND PHYSICAL THERAPY SERVICES IN DECISION UNIT E-805; REDUCE FUNDING FOR FOOD COSTS WHICH RESULTS IN A GENERAL FUND SAVINGS TOTALING \$61,450 IN FY 2009-2010 AND \$60,101 IN FY 2010-2011 IN DECISION UNITS E-902 AND E-502; GRANT AUTHORITY FOR STAFF TO MAKE ADJUSTMENTS TO SALARY AND FRINGE BENEFITS BASED UPON ACTIONS TAKEN BY THE 2009 LEGISLATURE, AND TO MAKE

TECHNICAL ADJUSTMENTS FOR FINAL ASSESSMENTS FOR THE DOIT,  
THE AG, STATEWIDE COST ALLOCATION PLAN AND SIMILAR ITEMS.

SENATOR COFFIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now hear the budget for the Sierra Regional Center, B/A 101-3280.

MR. CHAPMAN:

The Governor's recommendation of funding for replacement equipment in the 2009-2011 biennium in the amount of \$27,237, \$16,343 from the General Fund, appears reasonable to Staff.

E-710 Replacement Equipment – Page MHDS-95

SENATOR COFFIN MOVED TO CLOSE THE REMAINDER OF  
B/A 101-3280 AS RECOMMENDED BY THE GOVERNOR TO FUND  
REPLACEMENT EQUIPMENT FOR THE 2009-2011 BIENNIUM IN THE  
AMOUNT OF \$27,237, WITH \$16,343 FROM THE GENERAL FUND;  
GRANT AUTHORITY FOR STAFF TO MAKE ADJUSTMENTS TO SALARY  
AND FRINGE BENEFITS BASED UPON ACTIONS TAKEN BY THE  
2009 LEGISLATURE; AND MAKE TECHNICAL ADJUSTMENTS FOR  
FINAL ASSESSMENTS FOR THE DOIT, AG, STATEWIDE COST  
ALLOCATION PLAN AND SIMILAR ITEMS.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now hear the budget for the Family Preservation Program (FFP),  
B/A 101-3166.

HHS - Family Preservation Program – Budget Page MHDS-39 (Volume II)  
Budget Account 101-3166

MR. CHAPMAN:

The Governor recommends increased General Fund appropriations of \$39,644 in  
FY 2009-2010 and \$114,070 in FY 2010- 2011 to phase in support for an  
additional 33 families in the FFP. The 2007 Legislature approved an ending  
FY 2008-2009 caseload of 528 clients, who receive a monthly cash assistance  
payment of \$374. However, the actual caseload for the end of FY 2008-2009

is estimated to be 495 families, a decrease of 33 families. The caseload projection estimates an additional 16 families to be phased into service in FY 2009-2010 and an additional 17 families phased into service in FY 2010-2011, for a total of 528 families at the end of the 2009-2011 biennium. Monthly payments are recommended to remain at \$374 per family. The Division noted during the budget hearing that it believes the requested increase is reasonable, given the historical trend in families seeking the assistance. The Division also has the ability to approach the IFC should additional funding be needed. Based upon the information provided by the Division, the recommended caseload increase for the FFP appears reasonable to Staff. Does the Subcommittee wish to approve the Governor's recommendation to support an additional 33 families in the FFP?

M-200 Demographics/Caseload Changes – Page MHDS-39

SENATOR COFFIN MOVED TO CLOSE B/A 101-3166 AS RECOMMENDED BY THE GOVERNOR TO SUPPORT AN ADDITIONAL 33 FAMILIES IN THE FFP.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now hear the budget for Washoe County Integration, B/A 101-3141.

#### CHILD AND FAMILY SERVICES

HHS - Washoe County Integration – Budget Page DCFS-7 (Volume III)  
Budget Account 101-3141

REX GOODMAN (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The *Executive Budget* recommends the transfer of children's mental health residential treatment placements from the Division of Child and Family Services (DCFS) Rural Child Welfare budget, B/A 101-3229, to the Clark and Washoe Counties' Integration budgets 101-3141 and 101-3142. The recommended transfers include approximately \$2.3 million in FY 2009-2010 and \$2.4 million in FY 2010-2011. The Division indicated the recommended transfer would provide several benefits. The County would be able to ensure greater accountability from the treatment placement providers and the recommended arrangement would satisfy federal requirements that all placement payments be generated through the Division's Unified Nevada Information Technology for Youth (UNITY) system. Due to the reported benefits of the transfer and the anticipated General Fund savings, Staff recommends approval of the transfer of funding for mental health placements from the DCFS Rural Child Welfare budget to the Washoe County Integration budget.

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HHS - Rural Child Welfare— Budget Page DCFS-64 (Volume III)  
Budget Account 101-3229

CHAIR LESLIE:

This change makes sense. We have been considering it for the last few years and it is now time to do it.

ASSEMBLYWOMAN BUCKLEY:

Does this mean Clark and Washoe Counties will now have more authority with regard to these placements? Will they supervise the quality of care?

MR. GOODMAN:

The Counties will have authority over the placements from beginning to end. This falls in line with the original stated intent of the child welfare integration plan, that there will not be differences in the oversight of front end, back end and higher level of care placements; that they all be overseen and supervised by one child welfare agency. This would give the Counties funding directly in their budgets to perform these placements.

ASSEMBLYWOMAN BUCKLEY:

Is it correct that this is for treatment homes as opposed to treatment facilities?

DIANE J. COMEAUX (Administrator, Division of Child and Family Services, Department of Health and Human Services):

That is correct. It would include placements in the treatment homes like Olive Crest Treatment Center, but not Desert Willow Treatment Center or other residential treatment centers.

ASSEMBLYWOMAN BUCKLEY:

If there were to be an examination of policies regarding when a child must leave a foster home, would the counties have the ability to negotiate different contracts with different quality-of-care standards with the treatment agencies?

MS. COMEAUX:

Yes. The counties will have the ability to negotiate contracts with them based around those standards. We created a work group that looked across the board for a more standardized contract, but each county has the ability to amend that based on its needs.

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE THE TRANSFER OF FUNDING FOR MENTAL HEALTH PLACEMENTS FROM THE DCFS RURAL WELFARE BUDGET TO THE WASHOE COUNTY INTEGRATION BUDGET.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

As an informational item for the Subcommittee, the *Executive Budget* recommended a supplemental General Fund appropriation of \$873,044 related to an anticipated shortfall in federal Title XIX funding. The Division indicated that at the time of budget preparation, it was unclear whether Targeted Case Management (TCM), through which Washoe County claims various child welfare-related expenses, would continue to be a Medicaid-eligible expense. This supplemental appropriation was calculated based on the assumption that TCM would not be an eligible expense in FFY 2009 and that General Funds would be used instead to fund the expenses. The ARRA extended the moratorium through June 30, 2009, on final Medicaid regulations that would make TCM services provided by the County ineligible for Medicaid reimbursement.

On another issue, the ARRA includes FMAP increases that are significantly larger than those projected in the *Executive Budget*, which result in additional General Fund savings of \$455,243 in FY 2009-2010 and \$688,761 in FY 2010-2011, above the amounts included in the *Executive Budget*.

SENATOR RAGGIO MOVED TO APPROVE THE REDUCTION OF GENERAL FUND APPROPRIATIONS IN B/A 101-3141 AND TO INCREASE TITLE IV-E AND TITLE XIX REIMBURSEMENT BY \$455,243 IN FY 2009-2010 AND \$688,761 IN FY 2010-2011 TO REFLECT THE FMAP INCREASES INCLUDED IN THE ARRA.

SENATOR COFFIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now discuss sibling foster care rates.

MR. GOODMAN:

As described on page 23 of [Exhibit C](#), the DCFS proposed in the Clark County Integration budget to include enhanced foster care rates for children in sibling groups in which one sibling requires higher levels of care. For the 2009-2011 biennium, funding for enhanced rates was not included in the *Executive Budget*.

HHS - Clark County Integration – Budget Page DCFS-15 (Volume III)  
Budget Account 101-3142

Clark County has begun offering an enhanced foster care rate of \$65 per day for children in sibling groups. This is to comply with existing State regulations that preclude children younger than six years of age from being placed in child-care institutions, and which require reasonable efforts to keep children removed from their homes together with their siblings.

During the Work Session of March 24, 2009, Division representatives testified they were working with the County to identify services that should be included in the calculation of the enhanced rate so that it would be certifiable by the Federal Administration for Children and Families (ACF) and eligible for Title IV-E reimbursement. The Division provided information about the current statewide caseloads that would be eligible for the enhanced rate, but indicated that the Division and Clark County have not determined what growth rate in the caseload should be included for the 2009-2011 biennium. The amount of the enhanced rate has not yet been finalized or approved by ACF.

Without a finalized amount for the enhanced rate and the uncertain caseload growth that would be funded by the rate, it is difficult to accurately budget for the inclusion of the enhanced rate at this time. Staff recommends that upon certifying the amount of the enhanced rate with ACF, and determining the appropriate growth rate for the caseload, the Division and counties approach the IFC for a work program revision to utilize the funding.

Because there is no funding in the Governor's budget for this enhanced rate, it is entirely an addback. However, if the Subcommittee chooses, it may approve additional funding for an enhanced sibling foster care rate at one of the funding levels listed in the chart on page 24 of [Exhibit C](#), or at some other amount.

The Subcommittee may wish to place the additional General Funds portion of the funding in the IFC Contingency Fund and withhold the additional federal revenue authority until the Division receives federal certification of the rate and determines the appropriate caseload growth rate.

CHAIR LESLIE:

Ms. Comeaux, we recognize the need for children to be placed with their siblings. We are concerned about getting certification so we can obtain the Title IV-E reimbursement and what that time frame might be. We also would like more information on the caseload growth rate. There is a big difference between 2 percent and 20 percent.

MS. COMEAUX:

The process of getting the enhanced rate certified by the ACF is fairly simple. We must design a state plan amendment and provide to them a rate methodology; how we are going to calculate the rate and specifically what service components are included in the rate. We are currently working with provider organizations to determine what these components will be. The child welfare agencies must clearly define for us what services they wish to provide for the siblings. Once we know this, it will only take us about a month to complete the plan and negotiate with the providers. If the ACF approves the plan, it will be retroactive to the first day of the fiscal quarter in which we submitted it to them.

With regard to determining the caseload growth rates, when Clark County first submitted its budget request, it showed a 2-percent growth rate. When we asked for additional information, they provided a significant increase of about 20 percent from the time they submitted the original budget. Higher levels of care, however, are not increasing at a 20-percent growth rate. In ramping up for this program, Clark County saw a significant increase; yet the number of

children going into higher levels of care is actually increasing at about 5 percent a year.

It is difficult for us to distinguish the various groups in higher levels of care who have siblings. We obtained a report from the UNITY system, upon which we based the original projection. We also acquired a report showing how many children are in sibling groups of three or more. In Clark County, a 20-percent growth rate scenario takes them up to about 196 children. That would assume all children in sibling groups of three or more would be placed in higher levels of care. We are not quite comfortable yet with that concept.

CHAIR LESLIE:

Referencing the chart on page 24 of [Exhibit C](#), are you projecting a rate closer to the \$42.10, \$54 or \$65 per day rate?

MS. COMEAUX:

The providers' organizations provided us with two components, an administrative and a social work rate, which includes case management functions. It also includes some therapeutic support, such as crisis, triage and medication education. We do not believe this should be part of the sibling rate. If the children need higher levels of care or treatment they would appropriately be placed in a treatment home. The providers are proposing a rate of \$35 a day. To determine if this was reasonable, we looked at the overall cost of the DCFS providing social work or case management services. We looked at the two county integration budgets and included employee-driven costs and divided it by the caseload. We then divided that figure by 365 days. The resulting rate was about \$28 a day. We have some room to bring their proposed rate down, considering the DCFS integration budgets include clinical staff, eligibility, licensing and recruitment training. The providers are also requesting an enhanced foster care rate of \$35 a day. This also includes a number of treatment-related items that we do not feel are appropriate. An additional \$30 a day rate would be more reasonable and something we could build a model around.

ASSEMBLYWOMAN BUCKLEY:

It is one thing to take a foster child into your home; it is another thing to take eight. I can see why we need an enhanced rate to try to attract quality families to help with large sibling groups coming into the foster care system. Is Clark County paying this rate now, and just not receiving Title IV-E reimbursement? Were they able to set the rate without the State's approval? How is it being paid?

MS. COMEAUX:

The County did not negotiate the rate or set it through the State. They are unable to claim Title IV-E reimbursement because we have not gone through that process. The money is being paid from the general integration budget. They had savings in their emergency foster care line item and so are paying that rate from the savings.

ASSEMBLYWOMAN BUCKLEY:

Is the funding 100 percent from the General Fund, or is it a mix of county and General Fund appropriation?

Ms. COMEAUX:

The additional \$41 a day is the piece that is not Title VI-E eligible, so they are paying that with 100-percent General Fund appropriation.

ASSEMBLYWOMAN BUCKLEY:

It makes sense to claim Title IV-E eligibility so that we can get some federal match funding. In Clark County, is the additional rate being paid on every case or just certain cases where they feel it will be an incentive for a family to take in the children in a timely fashion?

Ms. COMEAUX:

If there is a child who needs a higher level of care, and who is placed into a treatment home, the County is paying for their additional siblings so they can keep the sibling group together. This does not apply to all sibling groups, just those who have one or more child in higher levels of care.

ASSEMBLYWOMAN BUCKLEY:

We must assume the penetration rate is going to be fairly high. We should do this; however, I would like to know what the cost factor is going to be. In previous hearings we thought we could add \$2 million to \$3 million. Now I am wondering if that will be a realistic number. We cannot commit to expanding this statewide in every case if it is going to be \$10 million, when our budget estimate is only \$2 million or \$3 million. What assurances can you give us that, based on the federal reimbursement bringing in additional money, the cost estimate would be sufficient?

Ms. COMEAUX:

If you choose to put the money in the IFC Contingency Fund, we could prepare a business plan to address the contracts and how we are going to manage it so we do not exceed what has been approved. The Legislature also has the ability to limit us with a letter of intent.

ASSEMBLYWOMAN BUCKLEY MOVED TO TENTATIVELY APPROVE FUNDING FOR AN ENHANCED SIBLING FOSTER CARE RATE BY PLACING THE ADDITIONAL GENERAL FUND APPROPRIATION OF \$3.2 MILLION INTO THE IFC CONTINGENCY FUND UNTIL A BUSINESS PLAN WITH A SPECIFIC BUDGET PROJECTION IS PRESENTED BY THE DCFS.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

SENATOR COFFIN:

Does this motion mean we will not set the rate, but rather rely on the DCFS to do that?

ASSEMBLYWOMAN BUCKLEY:

My motion intends to put \$3.2 million into the IFC Contingency Fund to allow the agencies to work with the DCFS on an appropriate rate methodology; make proposed projections to plan approval of the rates through the ACF; and to make sure we have an appropriate statewide plan to achieve those projections.



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ASSEMBLYWOMAN GANSERT:

I would like to be clear on the amount we are discussing.

ASSEMBLYWOMAN BUCKLEY:

It is \$1.6 million in each year of the biennium for a total of \$3.2 million.

CHAIR LESLIE:

The business plan will be for the entire State, not just Washoe and Clark Counties.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

The other closing item in this budget is decision module M-201, caseload growth for adoption subsidies.

M-201 Demographics/Caseload Changes – Page DCFS-8

Fiscal Staff has reviewed the projection methods used by the DCFS, as well as Clark and Washoe Counties to calculate the additional funding recommended for caseload growth in adoption subsidies. Each entity used a slightly different methodology for projecting the additional funding, and errors were contained in some of the calculations. Staff worked with the DCFS management in producing a revised calculation methodology to provide consistency in all of the Division's budgets; to apply assumptions that Staff feels are reasonable in the projection of future costs; and to correct errors in amounts recommended in the Governor's budget. The new methodology does not change the number of new adoption subsidy cases projected in this budget from the amounts calculated by the County. However, it does change the calculation of Base costs and annualizes the projected growth, adding an average number of new cases each month, rather than adding all projected growth in the first month of the fiscal year. The revised calculation method resulted in reductions of the recommended additional funding for caseload growth in the amounts of \$47,835 for FY 2009-2010 and \$112,642 in FY 2010-2011. There are also impacts on the Clark County Integration budget and Rural Child Welfare budget. Does the Subcommittee wish to approve this funding for caseload growth in adoption subsidies?

CHAIR LESLIE:

It is a good idea to have similar methodologies and we will save some money as well.

SENATOR COFFIN:

Are the counties aware of this?

CHAIR LESLIE:

The counties are aware of it.

SENATOR COFFIN MOVED TO APPROVE STAFF'S RECOMMENDATION FOR FUNDING CASELOAD GROWTH IN ADOPTION SUBSIDIES.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

Decision unit M-202 recommends the addition of two FTE social worker positions to support the increased number of adoptions finalized by the County. The Division and County have agreed that a performance indicator would be appropriate in this, and other DCFS budgets that fund the State's adoption services, to measure compliance with federal permanency mandates. The recommendation of the two additional positions and the new performance indicator appears reasonable to Staff.

M-202 Demographics/Caseload Changes – Page DCFS-8

ASSEMBLYWOMAN SMITH MOVED TO APPROVE TWO FTE SOCIAL WORKER POSITIONS TO SUPPORT THE INCREASED NUMBER OF ADOPTIONS FINALIZED BY THE COUNTY AND A NEW PERFORMANCE INDICATOR TO MEASURE COMPLIANCE WITH FEDERAL PERMANENCY MANDATES.

SENATOR COFFIN SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

Decision module M-203 recommends funding for caseload growth in substitute foster care placements in the amount of \$95,455 in each year of the 2009-2011 biennium.

M-203 Demographics/Caseload Changes – Page DCFS-8

Technical adjustments are required for this budget account. The 2007 Legislature provided funding of 1.51 FTEs for new mental health counselor positions to provide family preservation services, contingent upon the County funding another 1.51 FTEs. The County added the additional position, but included funding for 2 FTEs in its DCFS budget request. Because of this error, the *Executive Budget* reduced the 2 FTEs to 1 FTE. Staff requests authority to increase the positions to 1.51 FTEs, as approved by the Legislature,

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and to correct the error in the FY 2010-2011 budget calculations. These adjustments require an increase of approximately \$25,564 in General Fund appropriations in FY 2009-2010 and a reduction of \$13,036 General Funds in FY 2010-2011.

Staff also requests to make adjustments to decision units E-670 and E-671 to reflect this change. A technical adjustment is needed related to decision unit

E-670 to maintain all personnel expenses in the budget's special use category.

E-670 Temporary 6% Salary Reduction – Page DCFS-10

E-671 Suspend Merit Salary Inc for FY10 & FY11 – Page DCFS-11

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE DECISION UNIT E-203 AND TECHNICAL ADJUSTMENTS RECOMMENDED BY STAFF.

SENATOR COFFIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now hear B/A 101-3142, Clark County Integration.

MR. GOODMAN:

Pages 26 and 27 of [Exhibit C](#) describe the recommendation in the *Executive Budget* to transfer children's mental health residential treatment placements from B/A 101-3229, the DCFS Rural Child Welfare budget, to Washoe and Clark Counties. The recommended transfers include \$6.6 million in FY 2009-2010 and \$7.1 million in FY 2010-2011. This appears reasonable to Staff. Does the Subcommittee wish to approve the transfer?

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE THE TRANSFER OF CHILDREN'S MENTAL HEALTH RESIDENTIAL TREATMENT FROM THE DCFS RURAL CHILD WELFARE BUDGET TO WASHOE AND CLARK COUNTIES.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

The next item in this budget is the replacement of federal funding with General Funds. The *Executive Budget* recommends General Fund appropriations of

approximately \$3.8 million in FY 2009-2010 and \$3.9 million in FY 2010-2011 to offset projected revenue shortfalls related to reductions in the percentage of child welfare costs that are eligible for federal reimbursement. The Division reports that the federal Deficit Reduction Act of 2005 reduced the percentage of administrative expenses that are eligible for reimbursement with Title IV-E funds by limiting the claiming of administrative expenses for children in unlicensed relative placements and by narrowing the eligibility criteria based on the homes from which children are removed. The adjusted Base Budget includes funding calculated on the percentage of children eligible for Title IV-E reimbursement, the so called, penetration rate. This recommendation appears reasonable to Staff.

SENATOR COFFIN MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR THE REPLACEMENT OF FEDERAL FUNDING WITH GENERAL FUND APPROPRIATION TO OFFSET THE PROJECTED REVENUE SHORTFALLS RELATED TO REDUCTIONS IN THE PERCENTAGE OF CHILD WELFARE COSTS THAT ARE ELIGIBLE FOR FEDERAL REIMBURSEMENT.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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MR. GOODMAN:

The next item is informational only. The Governor recommended a supplemental General Fund appropriation of approximately \$2 million related to the anticipated shortfall in federal reimbursement for child welfare expenses. However, a subsequent transfer of available General Fund money from the Division of Health Care Financing and Policy (DHCEP) eliminated the need for supplemental appropriations in all of the DCFS budgets.

In decision unit E-417, the ARRA funding includes provisions that increase the FMAP for Medicaid, as well as foster care maintenance and adoption assistance. The FMAP increase produces additional General Fund savings of approximately \$928,857 in FY 2009-2010 and \$1,136,051 in FY 2010-2011, above the amounts included in *The Executive Budget*.

E-417 Federal Economic Stimulus – Enhanced FMAP – Page DCFS-18

SENATOR COFFIN MOVED TO APPROVE DECISION UNIT E-417 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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MR. GOODMAN:

In decision unit M-201, Staff worked with the DCFS management to produce a revised calculation methodology to make the calculations consistent in all of the Division's budgets; to apply assumptions that Staff feels are reasonable in the projection of future costs; and to correct the errors included in the amounts recommended in the Governor's budget. The impact of the revised calculation method on this budget is a reduction in the recommended additional funding for caseload growth in the amount of \$667,562 in FY 2009-2010 and \$729,878 in FY 2010-2011. A portion of this will result in a General Fund savings and would help to offset the addition of the sibling group foster care rate funding. Does the Subcommittee wish to approve funding for caseload growth in adoption subsidies in these revised amounts?

M-201 Demographics/Caseload Changes – Page DCFS-16

CHAIR LESLIE:

This would keep us consistent with what we just decided in B/A 101-3141.

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE DECISION UNIT M-201 AS RECOMMENDED BY THE GOVERNOR.

SENATOR COFFIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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MR. GOODMAN:

In decision unit M-202, the Governor recommends the addition of ten FTE positions in FY 2010-2011 which include one family services specialist supervisor, seven family service specialist caseworkers, one family support worker, and one office assistant, to support caseload growth in foster care placements. The recommended caseworker positions would allow the County to maintain the 1:22 caseworker-to-child ratio implemented and maintained in the past two biennia.

M-202 Demographics/Caseload Changes – Page DCFS-16

The Subcommittee should note that, as proposed, the Governor's budget utilizes a different methodology for calculating caseworker staffing requirements by including unlicensed relative placements in the placement caseload. Unlicensed relative placements have not historically been included in the caseload for calculating staffing requirements. The new calculation methodology produces the same requirement for new positions in the FY 2010-2011 as the old

methodology, but the old methodology reveals that the County will actually have 11 FTE Caseworker positions too many in FY 2009-2010. It does not appear reasonable, however, to eliminate 11 FTE caseworker positions in FY 2009-2010, only to add 18 FTE new caseworker positions in FY 2010-2011. In order to maintain staffing continuity and avoid significant position eliminations and hiring, the recommendation appears reasonable to Staff. Does the Subcommittee wish to approve the Governor's recommendation of ten new FTE positions for foster care growth in FY 2010-2011?

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE TEN NEW FTE CASEWORKER POSITIONS IN DECISION UNIT M-202 AS RECOMMENDED BY THE GOVERNOR.

SENATOR COFFIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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MR. GOODMAN:

Decision unit M-203 recommends funding for caseload growth in foster care placements that involve direct payments to caregivers in the amount of \$4.2 million in FY 2009-2010 and \$6.7 million in FY 2010-2011. The action that the Subcommittee took regarding the enhanced sibling foster care rates in the Washoe County Integration budget will also impact this budget. Does the Subcommittee wish to approve the Governor's recommendation for caseload growth in foster care placements?

M-203 Demographics/Caseload Changes – Page DCFS-17

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE DECISION UNIT M-203 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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MR. GOODMAN:

In decision unit E-680, the Governor recommends funding for three new FTE positions, an accountant position and two FTE eligibility worker positions, to support paperwork requirements associated with claiming federal Supplemental Security Income (SSI) and/or social security survivor benefits for children in the County's custody. The three positions are projected to generate additional federal revenues in the amount of \$2,186,184 in each year of the

2009-2011 biennium through its claiming activities. General Funds are recommended to be reduced by approximately \$2 million per year to offset the additional federal revenue, less the personnel and operating costs of the three positions.

The DCFS indicates that Clark County agreed to begin funding the new positions for eight months in FY 2008-2009, with the assumption that the positions would be funded by the State in the 2009-2011 biennium. Clark County began funding the positions early to establish the program of claiming SSI payments for children in its care. The County will not continue to fund the positions after FY 2008-2009 because the positions relate to back-end placements which have historically been the State's fiscal responsibility. Because the new positions are recommended to generate new federal funding that would offset the additional costs related to the positions, the Subcommittee may wish to consider making the positions' ongoing status contingent upon the new federal revenues being generated. If the positions fail to generate new federal revenues in excess of their position-related costs, additional General Fund appropriation could be required to offset the shortfall. The Subcommittee could stipulate that if the positions fail to generate new federal revenues in excess of position-related costs in FY 2009-2010 of approximately \$226,455, the positions will not be continued in FY 2010-2011.

Does the Subcommittee wish to approve three new positions to support paperwork requirements of additional claiming of federal benefits for children in the County's custody, with an annual cost of \$226,455 in FY 2009-2010 and \$233,891 in FY 2010-2011, and General Fund savings of approximately \$2 million per year? As an alternative, does the Subcommittee wish to stipulate any contingencies regarding the new positions such as requiring the generation of new federal funds at least equal to the positions' related costs, and a letter of intent to request that the progress of the program be reported to the IFC?

E-680 New Revenues or Expenditure Offsets – Page DCFS-20

CHAIR LESLIE:  
Have those savings been built into the budget?

MR. GOODMAN:  
That is correct.

CHAIR LESLIE:  
Is this the same thing Washoe County has been doing with some success?

MR. GOODMAN:  
Yes.

CHAIR LESLIE:  
We would be funding these positions on the assumption they would save at least \$2 million.

SENATOR COFFIN:  
That may be a hard target to hit. I do not know if I want to stipulate exactly \$2 million.

CHAIR LESLIE:

The *Executive Budget* has already included the amount of \$2 million. Washoe County has been successful with this strategy, but we need to keep tabs on the County's progress toward this goal.

SENATOR COFFIN MOVED TO APPROVE DECISION UNIT E-680 CONTINGENT ON THE GENERATION OF NEW FEDERAL FUNDS AT LEAST EQUAL TO THE RELATED COSTS OF THE THREE POSITIONS; AND A LETTER OF INTENT REQUESTING THAT THE PROGRESS OF THE PROGRAM BE REPORTED TO THE IFC.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

Technical adjustments in this budget include funding for personnel expenses of one position that has historically been funded by the federal Title IV-B grant which should be adjusted so the expenses continue to be fully funded by this revenue source in the 2009-2011 biennium. The Division indicates that a change to the funding source in the Agency budget request was an oversight, and the position should be fully funded by the federal grant.

Also, decision units E-670 and E-671, if approved, should be adjusted to eliminate the correct amounts of salaries and merit increases in the 2009-2011 biennium. These adjustments would produce larger funding reductions. As included in the *Executive Budget*, these decision units remove salary funding for each decision unit, but do not remove funding from the calculation of benefits, or of subsequent years' base salaries. These decision units should also be adjusted based on the Legislature's actions globally.

E-670 Temporary 6% Salary Reduction – Page DCFS-19

E-671 Suspend Merit Salary Inc for FY10 & FY11 – Page DCFS-20

SENATOR COFFIN MOVED TO APPROVE TECHNICAL ADJUSTMENTS AS RECOMMENDED BY STAFF.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

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

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now discuss B/A 101-3143, HHS-UNITY/SACWIS.

HHS - UNITY/SACWIS – Budget Page DCFS-24 (Volume III)  
Budget Account 101-3143

MR. GOODMAN:

Decision units M-160 and E-606 recommend the elimination of four vacant positions, one master information technology (IT) professional, one program officer, and two IT technician positions, to produce budgetary savings. These recommendations appear reasonable to Staff.

M-160 Position Reductions Approved in 07-09 – Page DCFS-25

E-606 Staffing and Operating Reductions – Page DCFS-27

Decision unit E-290 recommends a reduction of \$9,171 in FY 2010-2011 for the Division's cost allocated portion of expenses for data circuits used to connect to the State Silvernet and Internet. The DoIT is recommended to install an alternative wireless system. This recommendation appears reasonable to Staff.

E-290 Maximize Internet and Technology – Page DCFS-26

In addition, there is a technical adjustment necessary to correct the cost of a software purchase requested in the *Executive Budget*. For this, Staff requests authority to reduce expenses by \$10,014 in each year of the 2009-2011 biennium.

SENATOR COFFIN MOVED TO APPROVE DECISION UNITS M-160, E-606 AND E-290; WITH THE TECHNICAL ADJUSTMENT RECOMMENDED BY STAFF.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYWOMEN BUCKLEY AND GANSERT WERE ABSENT FOR THE VOTE.)

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

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CHAIR LESLIE:

We will now discuss B/A 101-3145, HHS, Children, Youth & Family Administration.

HHS - Children, Youth & Family Administration – Budget Page DCFS-31  
(Volume III)  
Budget Account 101-3145

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MR. GOODMAN:

In decision unit M-205, the Governor recommends General Fund appropriations of \$580,185 in FY 2009-2010 and \$689,865 in FY 2010-2011 for projected caseload increases of 7 percent each year in children's mental health residential treatment placements. The DCFS indicates the placement population funded through this budget is difficult to project because this population consists of children who are not in the Division's custody, but rather are in parental custody. The Division does not have a statutory obligation to fund the placement expenses of children in this population, but does so in order to prevent the children from being placed in the Division's custody which would require the assignment of case management staff and increase the Division's costs.

M-205 Demographics/Caseload Changes – Page DCFS-34

SENATOR COFFIN MOVED TO APPROVE DECISION UNIT M-205 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

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

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

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MR. GOODMAN:

In decision unit M-505, the *Executive Budget* recommends funding of \$2.8 million in FY 2009-2010, of which \$2.6 million is from the General Fund, and \$3 million in FY 2010-2011, of which \$2.8 million is from the General Fund. This is because the Medicaid State Plan Amendment, which took effect in November 2008, contained changes that eliminated payment for certain services to mental health treatment providers

M-505 Federal Mandates – Page DCFS-35

SENATOR COFFIN MOVED TO APPROVE DECISION UNIT M-505 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

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

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

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MR. GOODMAN:

In decision unit M-502 the *Executive Budget* recommends that funding in the amounts of \$503,888 in FY 2009-2010 and \$513,024 in FY 2010-2011 be changed from federal Title IV-E funding to General Fund appropriation to offset projected reductions in federal funding resulting from the Deficit Reduction Act of 2005. This recommendation appears reasonable to Staff.

M-502 Federal Mandate – Page DCFS-34

SENATOR COFFIN MOVED TO APPROVE DECISION UNIT M-502 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

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

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

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MR. GOODMAN:

The next item is informational only. The supplemental General Fund appropriation in this budget recommended by the governor can be eliminated due to a transfer of funds from the DHCFP.

In decision unit E-606, the Governor recommends the elimination of four administrative FTE positions that the Division has held vacant in order to produce budgetary savings. This appears reasonable to Staff.

E-606 Staffing and Operating Reductions – Page DCFS-36

Decision unit E-490 recommends the elimination of four FTE positions funded by the State Infrastructure Grant. The grant is expected to expire on September 30, 2009, thus eliminating these positions in FY 2010-2011 due to reduced federal funding.

E-490 Expiring Grant/Program – Page DCFS-35

Staff requests authority to make technical adjustments to revise federal funding for some grants and projects analyst positions approved by the 2007 Legislature. These positions were built into the *Executive Budget* to be funded with four federal grants, but the DCFS indicates they should be funded by five separate federal grants.

Also, the DHHS Director's Office has identified additional Title XX funding that can be added to Department's budgets to reduce its General Fund needs. Additional Title XX funding in the amounts of \$819,112 in FY 2009-2010 and \$218,791 in FY 2010-2011 are proposed to be added to this budget. Staff requests authority to replace General Funds with Title XX funding as requested by the Department.

SENATOR COFFIN MOVED TO APPROVE DECISION UNITS E-606 AND E-490 RECOMMENDED BY THE GOVERNOR; AND TECHNICAL ADJUSTMENTS RECOMMENDED BY STAFF.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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CHAIR LESLIE:  
We will now discuss B/A 101-3229, Rural Child Welfare.

MR. GOODMAN:  
In decision unit M-205, the *Executive Budget* recommends funding of \$769,153 in FY 2009-2010 and \$1,061,761 in FY 2010-2011 for projected caseload increases of 7 percent in each year of the biennium for children's mental health residential treatment placements.

M-205 Demographics/Caseload Changes – Page DCFS-67

SENATOR COFFIN MOVED TO APPROVE DECISION UNIT M-205 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:  
In decision unit M-505, the *Executive Budget* recommends funding of \$6.4 million in FY 2009-2010, of which \$4.8 million is from the General Fund, and \$6.8 million in FY 2010-2011, of which \$5.1 million is from the General Fund, to fund a higher daily foster care rate that the Division has named "specialized foster care" for residential treatment placements. The Medicaid State Plan Amendment that took effect in November 2008 contained changes which reduced federal funding for several services provided in residential treatment placements.

M-505 Mandates – Page DCFS-68

SENATOR COFFIN MOVED TO APPROVE DECISION UNIT M-505 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

In the next item, as described on pages 38 and 39 of [Exhibit C](#), the *Executive Budget* recommends the transfer of children's mental health residential treatment placements from this budget to Clark and Washoe Counties' integration budgets. Staff requests authority to adjust the general ledger numbers and remaining revenues in this budget to reflect the elimination of revenues transferred from the Counties into this budget.

SENATOR COFFIN MOVED TO APPROVE THE TRANSFER OF CHILDREN'S MENTAL HEALTH RESIDENTIAL TREATMENT PLACEMENTS FROM THE RURAL CHILD WELFARE BUDGET TO THE CLARK AND WASHOE COUNTIES' INTEGRATION BUDGETS IN DECISION UNIT M-505 AS RECOMMENDED BY THE GOVERNOR; WITH TECHNICAL ADJUSTMENTS REQUESTED BY STAFF.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

In decision unit M-502, the *Executive Budget* recommends General Fund appropriations to offset projected revenue shortfalls related to reductions in the percentage of child welfare costs under the federal Deficit Reduction Act of 2005. This recommendation appears reasonable to staff.

M-502 Federal Mandate – Page DCFS-68

SENATOR COFFIN MOVED TO APPROVE DECISION UNIT M-502 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

The next item is informational only. The Governor recommends the elimination of the supplemental General Fund appropriation in this budget due to a transfer of funds from the DHCFP.

In decision unit M-201, Staff worked with the DCFS management in producing a revised calculation methodology to provide consistency in all of the Division's budgets; to apply assumptions that Staff feel are reasonable in the projection of future costs; and to correct errors in amounts recommended in the Governor's budget. The new methodology corrects errors in the calculation of new adoption subsidy cases projected in this budget; the funding of new cases added since FY 2007-2008; and annualizes the projected growth, adding an average number of new cases each month, rather than adding all projected growth in the first month of the fiscal year. The impact of the revised calculation method on this budget is an increase in the recommended additional funding for caseload growth in the amount \$301,049 in FY 2009-2010 and \$527,734 in FY 2010-2011.

M-201 Demographics/Caseload Changes – Page DCFS-66

CHAIR LESLIE:

In some of the budgets we save money with the revised methodology. In this one, it costs us money. At least we now have the same methodology everywhere.

MR. GOODMAN:

This would be the Governor's recommendation but there would be additional General Fund money required of approximately \$160,000 over the biennium.

SENATOR COFFIN MOVED TO APPROVE DECISION UNIT M-201 AS RECOMMENDED BY THE GOVERNOR; INCLUDING THE ADDITION OF APPROXIMATELY \$160,000 OVER THE BIENNIUM FOR FUNDING CASELOAD GROWTH.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

Decision unit M-203 recommends funding for caseload growth in foster care placements. The action that the Subcommittee took regarding sibling foster care rates in the Washoe County Integration budget should apply also to this budget and the Clark County Integration budget. This is the area for foster care placements where that funding would be applied if the Division comes back to the IFC to request that funding. This recommendation seems reasonable to Staff.

M-203 Demographics/Caseload Changes – Page DCFS-67

CHAIR LESLIE:

We know this is the area where an IFC request might be made, but the motion would be to merely approve decision unit M-203.

SENATOR COFFIN MOVED TO APPROVE DECISION UNIT M-203 AS RECOMMENDED BY THE GOVERNOR.

SENATOR MATHEWS SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

Decision unit E-325 recommends funding for ten new FTE positions, two FTE administrative assistant positions and eight FTE family support worker positions. The two FTE administrative assistant positions would support paperwork requirements associated with claiming federal SSI and/or social security survivor benefits for children in the Division's custody. The eight FTE family support worker positions would provide in-home assistance and education to speed up reunification of families identified as having child abuse and neglect situations or having had children removed from the household. The two FTE administrative assistant positions are projected to generate additional federal revenues in the amount of \$596,232 in each year of the 2009-2011 biennium through their claiming activities. This will produce a savings to the General Fund of \$95,079 in FY 2009-2010 and \$48,154 in FY 2010-2011 to offset a portion of the additional federal revenue. If the Subcommittee approves the two FTE administrative assistant positions, the Division will be able to support the additional workload associated with claiming social security benefits for all children in its care. Does the Subcommittee wish to stipulate any contingencies regarding the eight new FTE family support positions by placing funding for them in the IFC Contingency Fund to allow the Division to report when they have begun to receive the federal funding?

E-325 Services at Level Closest to People – Page DCFS-69

CHAIR LESLIE:

It makes sense to approve the two FTE administrative assistant positions so they can process the paperwork necessary to obtain federal funding for eight proposed FTE family support positions. Once the federal funding is approved, the Division can approach the IFC to have those funds released.

ASSEMBLYWOMAN BUCKLEY MOVED TO CLOSE DECISION UNIT E-325 AS RECOMMENDED BY THE GOVERNOR; APPROVING THE THE TWO FTE ADMINISTRATIVE ASSISTANT POSITIONS IMMEDIATELY SO THEY CAN APPLY FOR FEDERAL FUNDING; AND ONCE FEDERAL FUNDING IS APPROVED, TO SUPPORT THE EIGHT FTE PROPOSED FAMILY SUPPORT POSITIONS, THE DIVISION CAN APPROACH THE IFC

TO HAVE THAT PORTION OF THE FUNDING RELEASED FROM THE CONTINGENCY FUND.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

Decision unit E-417 recommends the replacement of General Funds with additional federal revenue from the ARRA. The FMAP increases will produce additional General Fund savings in this budget of approximately \$46,771 in FY 2009-2010 and \$69,938 in FY 2010-2011, above the amounts included in the Governor's budget. The Division submitted Budget Amendment No. 127 to request these adjustments.

E-417 Federal Economic Stimulus – Enhanced FMAP – Page DCFS-69

SENATOR COFFIN MOVED TO APPROVE DECISION UNIT E-417 AS RECOMMENDED BY THE GOVERNOR WITH BUDGET AMENDMENT NO. 127.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

Decision unit E-600 recommends the closure of the Division's office in Hawthorne and the transfer of 1.51 FTEs at that location to the Division's Yerington office. The Division's office in Hawthorne is collocated with offices of the Division of Welfare and Supportive Services (DWSS) and the MHDS. Those offices were also recommended to be closed. The Division indicated that it would be cost prohibitive to assume the cost of the entire leased space at the location. The Subcommittee did not approve the elimination of the DWSS and MHDS offices in Hawthorne during its closing of those Agencies budgets. It would seem reasonable to expect that, if DWSS and MHDS maintain their offices in Hawthorne, the DCFS should be able to continue to lease space there at a reasonable rate as well. If the Subcommittee chooses to maintain the DCFS office in Hawthorne, additional funding would be required totaling \$14,679 in FY 2009-2010 and \$14,928 in FY 2010-2011.

E-600 Budget Reductions – Page DCFS-70



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CHAIR LESLIE:

Since we left the DWSS office in Hawthorne, I suggest we allow the DCFS office to stay there as well. The travel costs to and from Hawthorne would reduce the General Fund savings we would realize by closing it.

SENATOR COFFIN MOVED TO NOT APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E-600 AND KEEP THE DCFS OFFICE IN HAWTHORNE.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MR. GOODMAN:

Decision unit M-101 recommends agency-specific inflation increases which average 6.5 percent each year for medical expenses at a cost of \$39,852 in FY 2009-2010 and \$82,294 in FY 2010-2011. This recommendation appears reasonable to Staff.

M-101 Inflation – Agency Specific – Page DCFS-66

SENATOR COFFIN MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION ON DECISION UNIT M-101.

ASSEMBLYMAN OCEGUERA SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now hear B/A 645-3242, Child Welfare Trust.

HHS - Child Welfare Trust – Budget Page DCFS-77 (Volume III)  
Budget Account 645-3242

MR. GOODMAN:

Decision unit E-325 recommends receiving additional federal revenues in the amount of \$596,232 in each year of the 2009-2011 biennium, generated through the claiming of federal SSI and social security survivor benefits for a higher percentage of children in the Division's custody. Two new FTE administrative assistant positions are recommended to be added in the Rural Child Welfare budget to complete the required paperwork and data entry to apply for these benefits. The recommended additional revenues received by the State would be transferred to the Rural Child Welfare budget to fund the personnel and operating costs of the two new FTE administrative assistant

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positions, as well as eight new FTE family support worker positions. The Division has indicated that additional revenues received in this budget would be transferred to the Rural Child Welfare budget on a monthly basis.

E-325 Services at Level Closest to People – Page DCFS-77

SENATOR COFFIN MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E-325 FOR ADDITIONAL REVENUE AND EXPENDITURE AUTHORITY IN THE AMOUNT OF \$596,232 IN EACH YEAR OF THE 2009-2011 BIENNIUM.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now hear B/A 101-3278, Wraparound in Nevada.

HHS - Wraparound in Nevada – Budget Page DCFS-98 (Volume III)  
Budget Account 101-3278

Decision unit E-417 recommends the replacement of a portion of the General Fund appropriation with federal funds related to provisions of the ARRA. This includes provisions that increase the FMAP for Medicaid as well as foster care maintenance and adoption assistance. The FMAP increases will produce additional General Fund savings in this budget of approximately \$231,057 in FY 2009-2010 and \$189,916 in FY 2010-2011, above the amounts included in the *Executive Budget*. The Division submitted Budget Amendment No. 130 to request these adjustments. With the adjusted totals recommended in the budget amendment, this recommendation appears reasonable to Staff.

E-417 Federal Economic Stimulus – Enhanced FMAP – Page DCFS-100

The program's performance indicators include measurements of the number of children served and the average number of days served. However, the success of the program's services is not readily determined from these indicators. The program's expanded program narrative includes a measurement of average Child and Adolescent Functional Assessment (CAFAS) scores which the Division reports declined from 81.9 at admission to 73.0 after six months.

Does the Subcommittee wish to recommend that the Division include a performance indicator in the future that measures the average CAFAS scores of children in the program, to help determine success of the activities in this program?

CHAIR LESLIE:

That performance indicator will be a good way to measure the success of that program.

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION IN DECISION UNIT E-417; INCLUDING BUDGET AMENDMENT NO. 130 TO REQUEST ADJUSTMENTS IN THE FMAP AND FOSTER CARE MAINTENANCE AND ADOPTION ASSISTANCE; AND TO INCLUDE A PERFORMANCE INDICATOR IN THE FUTURE THAT MEASURES THE AVERAGE CAFAS SCORES OF CHILDREN IN THE PROGRAM.

SENATOR COFFIN SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now hear B/A 101-3281, Northern Nevada Child and Adolescent Services.

HHS - Northern Nevada Child & Adolescent Services – Budget Page DCFS-103  
(Volume III)

Budget Account 101-3281

MR. GOODMAN:

Decision unit M-160 recommends the elimination of two 0.50 FTE positions that were recommended by the Governor and approved by the 2007 Legislature to provide a therapeutic day treatment classroom for children. The program was not implemented in the 2007-2009 biennium due to budget reductions, and the Governor now recommends eliminating the positions to produce a savings.

M-160 Position Reductions Approved in 07-09 – Page DCFS-105

Decision unit E-417 recommends the replacement of General Funds with federal funds related to the ARRA. The FMAP increases produce additional General Fund savings in this budget of approximately \$271,949 in FY 2009-2010 and \$224,061 in FY 2010-2011, above the amounts included in the *Executive Budget*. The Division submitted Budget Amendment No. 33 to request these adjustments.

E-417 Federal Economic Stimulus – Enhanced FMAP – Page DCFS-106

Decision unit E-225 recommends eliminating the special expenditures category for Project Crisis and transferring the expenses to the In-State Travel and Operating categories in this budget. The original grant funding expired in FY 1996-1997, but the program was continued with General Funds and federal funding, including Medicaid. Thus, a special use category is no longer needed to separate those program expenditures from the other operating expenditures within the budget.

E-225 Eliminate Duplicate Effort – Page DCFS-106

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Decision unit M-101 recommends agency-specific inflation increases of \$5,768 in FY 2009-2010 and \$11,854 in FY 2010-2011.

M-101 Inflation – Agency Specific – Page DCFS-105

In addition, Staff requests authority to make a technical adjustment to align the expenditure and revenue authority for the Community Mental Health Services (CMHS) Block Grant revenues from the MHDS. Staff wishes to make this consistent with what is in the MHDS budget.

SENATOR COFFIN MOVED TO APPROVE DECISION UNITS M-160 AND E-417 WITH BUDGET AMENDMENT NO. 33; MODULES E-225 AND M-101 AS RECOMMENDED BY THE GOVERNOR; AND A TECHNICAL ADJUSTMENT FOR STAFF TO ADJUST EXPENDITURE AND REVENUE AUTHORITY TO MATCH THE AMOUNT OF REVENUE ANTICIPATED TO BE TRANSFERRED FROM THE MHDS TO THE CMHS BLOCK GRANT.

ASSEMBLYWOMAN BUCKLEY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now hear B/A 101-3646, Southern Nevada Child and Adolescent Services.

HHS - Southern Nevada Child & Adolescent Services – Budget Page DCFS-110  
(Volume III)

Budget Account 101-3646

MR. GOODMAN:

The Division reported in previous Subcommittee hearings about the pending situation regarding acute care services and residential treatment services collocated at the Desert Willow Treatment Center. The federal Centers for Medicare and Medicaid Services (CMS) has informed the Division that residential treatment facilities cannot be part of an inpatient hospital, such as Desert Willow. The CMS stated that children's acute inpatient services can be provided in a wing or distinct part of a hospital, but a residential treatment center must be a stand-alone facility. The Division indicates that it must comply with the CMS's request to separate the two services at Desert Willow or risk losing Medicaid reimbursement for the services provided at that facility. In exploring its options, the DHSS decided to cancel Capital Improvement Project (CIP) No 07-C26, approved by the 2007 Legislature to construct a 12 to 14 bed addition for acute care services at Desert Willow.

Instead, the Division has explored converting an unused portion of the Muril H. Stein Hospital, operated by the MDHS on the West Charleston campus, to provide acute care services. The conversion would require renovations to be

made, but the Division could gain additional acute care beds through relocation to that facility. The Division provided an initial cost estimate of at least \$560,785 to address renovations necessary to facilitate the relocation, but provided a revised estimate of \$622,500 that included new tile flooring for the entire first floor of the building, where children would be located. The State Public Works Board provided a separate estimate for the renovation of the Stein Hospital at approximately \$2.5 million. The Division has recently discounted the option of renovating the Stein Hospital due to information from the State Health Division that a renovation and relocation of children's acute services would require the facility to be re-licensed. The Department is concerned that the Stein Hospital, with its proposed renovations, would not meet all architectural guidelines required for licensure of a hospital with psychiatric beds and pediatric beds.

At its March 26 Work Session, the Division introduced the option of renting an unused wing of a new private mental health hospital, the Seven Hills Behavioral Institute in Henderson. The Division has developed cost projections and determined it to be cost prohibitive and not Medicaid eligible.

The Governor has recently submitted a revised CIP for the State that includes a project to construct a new 36-bed children's acute psychiatric hospital adjacent to Desert Willow. The cost of the project is estimated at between \$23.5 million and \$24.5 million, but does not include funding for furnishings and equipment and the Division's budget does not include additional staff that would be required if the project were approved. No action is needed on this item; it is just for the Subcommittee's information.

CHAIR LESLIE:

We will take this issue up again during the CIP hearing.

SENATOR COFFIN:

Do we have any idea yet from the federal government on our ability to hold off on sanctions for the two years it will take to build this facility?

MS. COMEAUX:

We have not heard from the federal government about this yet and, until the CIP is approved, we do not intend to contact them.

SENATOR COFFIN:

We do not have much choice on this CIP. We have lost one-third of our bonding capacity. Of all the projects in need of completion this will have to be the one at the top of the list.

CHAIR LESLIE:

I agree. We will take this up when we have our CIP hearing. We will now hear the rest of the closing items in this budget.

MR. GOODMAN:

Decision units E-903 and E-503 recommend that the contract between the DCFS and the MHDS for food service at the Desert Willow Treatment Center be eliminated; that the DCFS pay a private vendor for food service and that one registered dietician position be transferred from the MHDS to the DCFS. The

DCFS entered into a new contract with a nonprofit organization to provide meal service for Desert Willow in October 2008, so the recommended decision units affirm an arrangement that has already been implemented.

There is a minor technical adjustment to reduce the cost of the food contract. There were some initial startup costs included in that contract which do not need to be continued into the 2009-2011 biennium. The cost for the contract in decision unit E-503 should be reduced by \$44,081 in FY 2009-2010 and \$30,288 in FY 2010-2011. With the noted adjustments, these recommendations appear reasonable to Staff.

E-903 Transfer from SO Food Serv to SO NV Child & Adolescent – Page DCFS-118

E-503 Adjustments – Transfers In – Page DCFS-114

Decision unit M-160 recommends the elimination of five positions related to the establishment of a unit for co-occurring disorders at the Desert Willow Treatment Center. This program was funded by the 2007 Legislature, but was not implemented in the 2007-2009 biennium due to budget reduction requirements.

M-160 Position Reductions Approved in 07-09 – Page DCFS-113

Decision unit E-680 recommends three new part-time positions to replace contract janitorial services at the Agency's campus at 6171 West Charleston Boulevard in Las Vegas. The new positions would be 0.49 FTE and would not qualify for health benefits. The Division projects savings of \$27,824 in FY 2009-2010 and \$37,144 in FY 2010-2011. This is a recommendation from the Governor and appears reasonable to Staff.

E-680 New Revenues or Expenditure Offsets – Page DCFS-117

Decision unit E-225 recommends eliminating the special expenditures category for Project Crisis and transferring the expenses to the In-State Travel and Operating categories in this budget. The Division indicates that the activities of Project Crisis are now integrated with the Division's other activities and there is no need to differentiate these expenditures from the others in the budget. This will require a small technical adjustment to completely zero out this account as there are a few dollars remaining in it.

E-225 Eliminate Duplicate Effort – Page DCFS-114

Decision unit E-417 recommends the replacement of General Funds with additional federal funds related to the ARRA. The provisions that increase the FMAP would produce General Fund savings in this budget of approximately \$1,101,432 in FY 2009-2010 and \$904,957 in FY 2010-2011, above the amounts included in the *Executive Budget*.

E-417 Federal Economic Stimulus – Enhanced FMAP – Page DCFS-114

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Decision unit E-805 recommends the reclassification of two positions and the combination of two part-time positions into one full-time position. Staff requests authority to adjust the recommended salary of one of the positions being reclassified to comply with regulations regarding pay increases for promotions. With a technical adjustment, this recommendation appears reasonable to Staff.

E-805 Classified Position Reclassifications – Page DCFS-117

Decision unit M-101 recommends agency-specific inflation increases of \$26,944 in FY 2009-2010 and \$55,403 in FY 2010-2011. This recommendation appears reasonable to Staff.

M-101 Inflation – Agency Specific – Page DCFS-112

CHAIR LESLIE:

I will entertain a motion on all the decision units in this budget except M-160 which we will discuss further and include in a separate motion.

SENATOR COFFIN MOVED TO APPROVE DECISION UNITS E-225, E-417 AND E-805 AS RECOMMENDED BY THE GOVERNOR; WITH TECHNICAL ADJUSTMENTS REQUESTED BY STAFF.

ASSEMBLYWOMAN SMITH SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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CHAIR LESLIE:

We will now have further discussion on decision unit M-160.

SENATOR COFFIN:

I do not support the elimination of five positions related to the establishment of a unit for co-occurring disorders at the Desert Willow Treatment Center. We funded this program during the 2007 Legislature because we felt it was important. Nearly every mental health problem has some sort of co-occurring disorder. It was a unilaterally ordered budget reduction by the Governor without the Legislature's consent.

CHAIR LESLIE:

I agree it is disappointing this was never implemented.

ASSEMBLYWOMAN BUCKLEY MOVED TO APPROVE DECISION UNIT M-160 AS RECOMMENDED BY THE GOVERNOR.

ASSEMBLYMAN HARDY SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED UNANIMOUSLY.

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

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CHAIR LESLIE:

This concludes our budget closings for today. If there is anyone here to present public testimony, please come forward.

LAVONNE BROOKS (Northern Nevada Association of Service Providers):

Thank you for the support you have shown in the human services budgets. I would also like to thank Mr. Michael Willden, Dr. Harold Cook and Ms. Jane Gruner for all of their continued support. This budget still represents 11 to 14 percent cuts even prior to coming to you. Many decision units were not allowed to be in the budget, so there was no opportunity to do addbacks. We are 26-percent underfunded. On behalf of the nearly 5,000 people we represent and serve statewide and the 3,000 employees who support them, we feel the need to continue to bring this situation to your attention and will continue to do so. Hopefully we can work together between now and the next Session for remedies and solutions as they appear. In Northern Nevada, we are looking for efficiencies and solutions with our State counterparts. This is part of what we are doing as a consortium.

LESLIE SPRACKLIN (Chief Executive Officer, Fallon Industries):

I am a rural Nevada service provider. I wish to thank you for your support and help bring to your attention all the good things we accomplish.

CHAIR LESLIE:

We appreciate all that you do.

STEPHANIE POHL (Trinity Services):

I am a member of the Northern Nevada Association of Service Providers and here today to express my support.



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CHAIR LESLIE:  
There being no further business before this Subcommittee, this meeting is  
adjourned at 10:36 a.m.

RESPECTFULLY SUBMITTED:

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Michael Archer,  
Committee Secretary

APPROVED BY:

\_\_\_\_\_  
Senator Bob Coffin, Chair

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

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

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