

**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  
March 26, 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 Sheila Leslie at 8:24 a.m. on Thursday, March 26, 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  
Assemblyman Morse Arberry Jr.  
Assemblywoman Barbara E. Buckley  
Assemblywoman Heidi S. Gansert  
Assemblyman Joseph (Joe) P. Hardy  
Assemblywoman Debbie Smith

**STAFF MEMBERS PRESENT:**

Steven J. Abba, Principal Deputy Fiscal Analyst  
Rick Combs, Senior Program Analyst  
Laura Freed, Program Analyst  
Gary L. Ghiggeri, Senate Fiscal Analyst  
Rex Goodman, Program Analyst  
Mark Krmpotic, Senior Program Analyst  
Cynthia Clampitt, Committee Secretary

**OTHERS PRESENT:**

Diane J. Comeaux, Administrator, Division of Child and Family Services,  
Department of Health and Human Services  
Fernando Serrano, Deputy Administrator, Juvenile Services, Division of Child  
and Family Services, Department of Health and Human Services  
Mary Liveratti, Deputy Director, Programs, Department of Health and Human  
Services  
Shawna DeRousse, Administrative Services Officer, Director's Office,  
Department of Health and Human Services  
Michael J. Willden, Director, Department of Health and Human Services  
Todd Butterworth, M.B.A., Social Services Chief, Office of Disability Services,  
Department of Health and Human Services

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Carol Sala, Administrator, Division for Aging Services, Department of Health and Human Services

Thomas D. Morton, Director, Clark County Department of Family Services

Kevin Schiller, Director, Washoe County Department of Social Services

CHAIR LESLIE:

We will open the work session with the Division of Child and Family Services (DCSF). Mr. Rex Goodman will present the considerations in this budget.

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

I will first recap the American Recovery and Reinvestment Act of 2009 (ARRA) for the DCFS budgets.

The DCFS benefits from the Federal Match Participation (FMAP) increases included in the ARRA package. The *Executive Budget* projected there would be General Fund savings due to FMAP increases in fiscal year (FY) 2009-2010 and a small amount in FY 2010-2011 or federal fiscal year 2010. The amount saved is approximately \$5 million. After the final calculations of the ARRA funding were received, the total FMAP savings are approximately \$13 million in FY 2008-2009 and over the 2009-2011 biennium. There is approximately \$8 million in additional General Fund savings available in the DCFS budgets.

Most of the issues for discussion today are in budget account (B/A) 101-3148, the Juvenile Correctional Facility budget.

## HUMAN SERVICES

### CHILD AND FAMILY SERVICES

HHS - Juvenile Correctional Facility – Budget Page DCFS-43 (Volume III)  
Budget Account 101-3148

The proposal is to eliminate 48 of the 96 beds at the Summit View Youth Correctional Center (SVYCC) in Las Vegas. It would also eliminate 24 staff positions to produce a savings of \$1.6 million.

At the Division's first hearing, in February, concern was expressed regarding whether reducing the bed capacity in the State would allow the DCFS to continue to make appropriate placements for youth in the Juvenile Justice System. There was also concern expressed about the number of out-of-state youth juvenile justice placements.

The DCFS has provided additional information indicating the youth in out-of-state placements are there due to their specialized psychiatric needs rather than a lack of space or facilities within Nevada. The reduction of bed capacity in the youth facilities will not have an impact on the number of youth in out-of-state placements.

The concern is whether the Subcommittee is confident that the number of youth referrals to the SVYCC and the other youth facilities will remain constant

or continue to decrease, as they have in the past two fiscal years. The other concern is whether placements will rebound and begin to increase again.

The decision for the Subcommittee is whether it feels the number of beds can safely be reduced or whether they need to be maintained at the current level.

CHAIR COFFIN:

Before actions are taken regarding whether or not to reduce beds at any institution, is there a tendency to see a decline in delinquency or a decline in the adjudication of delinquents?

CHAIR LESLIE:

The testimony in the budget hearings was the DCFS is confident the reductions are acceptable, based on the number of youth entering the juvenile justice system.

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

There is not a reduction in the number of delinquencies statewide. There is a reduction in the number of youth who are transferred to the State for placement. Those placements are decreased by 16 percent in each year of the biennium. A combination of circumstances is causing that to occur.

More youth are being placed in their own communities. Those youth with mental health issues are being placed in mental health facilities. That area has seen a significant increase. There is also a statewide effort to keep more youth in their communities. That is helpful, as are the State subgrants for community placements and intense supervision. The Subcommittee will recall, in its original budget, the DCFS had requested an increase in the Community Corrections Block Grants (CCBG) of approximately \$490,000 annually to continue the reduced number of youth being placed within the State. That was not included in the *Executive Budget*. It is included in the top six priorities on the Department add-back list.

If that funding is authorized, the DCFS should maintain the number of beds in the *Executive Budget*.

CHAIR COFFIN:

Are the youth with mental health difficulties sent out-of-state because there is not an appropriate facility in Nevada? There are several in Utah and California. Why has Nevada not provided such a facility?

MS. COMEAUX:

If one looks at the youth in out-of-state placement, certain patterns will be revealed. There are a number of youth 18 or older who are still in our care, who are sex offenders. Nevada does not have adequate sex offender programs for youth over the age of 18. There are also some female sex offenders and there are no female sex offender programs in Nevada. Because of the small number of such offenders, it may not be cost effective to develop those programs in Nevada.

Barring some of those populations, the State could do a better job of keeping more youth in the State. We are working with Adult Protective Services Healthcare (APS ) to consider more appropriate placements in Nevada.

CHAIR COFFIN:

Could the DCFS poll the psychologists, psychiatrists and counselors and determine how many people are being referred out-of-state? Utah has a cottage industry based on accepting youth from other states for profit.

ASSEMBLYWOMAN BUCKLEY:

From the previous hearing and today's confirmation, I would support the closure of the one residential building at the SVYCC. However, additional funding may be needed in the community placements or in the Division of Parole and Probation. Not everything can be cut.

Not all of the youth placed out-of-state are sex offenders.

Ms. COMEAUX:

That is correct.

ASSEMBLYWOMAN BUCKLEY:

What is the total number of youth placed out-of-state and, of those, what is the total number of sex offenders? When I met with the APS, they stated they were encountering roadblocks in attempts to return youth to Nevada. The out-of-state providers were not cooperating. The other states are making money on these youth; therefore, they have no desire to step the youth down to appropriate facilities within Nevada. There was also a sense from the DCFS that its hands were tied due to a court order.

Would it be appropriate to enact a State statute to require an evaluation of the youth after 30 days and to require efforts to determine whether they could be returned to appropriate services within Nevada, requiring the court to make those findings?

If the decision is to restore funding to community-based supervision as recommended, there is a large amount of expenditures for the out-of-state providers to be considered. If some of those funds could be shifted back to Nevada, it would be more cost efficient and better for our youth.

Ms. COMEAUX:

I agree. The DCFS's preference is to keep the youth within the State whenever possible. There are 23 youth-parolees in out-of-state placements. I do not have the number of those who are sex offenders. I will provide the information for the Subcommittee.

ASSEMBLYWOMAN BUCKLEY:

How many are abused and neglected youth under DCFS custody? I thought the number was closer to 100.

Ms. COMEAUX:

There are a number of abused and neglected youth who are also placed out-of-state.

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MR. GOODMAN:

According to information provided to staff, there are 23 youth in out-of-state placements for juvenile justice and 44 additional youth placements related to child welfare issues.

MS. COMEAUX:

The report attached to our response indicates a number of the abused and neglected youth who are in out-of-state placements are part of an Interstate Compact for Placement of Children. The DCFS policy is to have the youth placed into facilities closer to their relatives.

ASSEMBLYWOMAN BUCKLEY:

I am not suggesting every youth should be returned to Nevada. They may need the appropriate treatment available in another state. I am suggesting any savings could be utilized for community-based services in Nevada if the youth population is carefully screened to determine who could be returned.

CHAIR LESLIE:

The number of youth placed out-of-state varies from one time to another.

MS. COMEAUX:

That is true.

ASSEMBLYMAN HARDY:

The local participation through the CCBG seems to be significant. It is perhaps as much as three times as much as the State participation level. It has been effective. I am trying to balance the bed reductions and the need to keep youth in their communities which would be a large savings. Is it possible even fewer beds would be needed in two years if the community placements were provided additional funding?

MS. COMEAUX:

We would aspire to that; I am unsure whether it is attainable. We will need to determine whether or not the initial surge in community placement will slow down.

It is our goal to keep youth in their communities. An increase in the CCBG grant is critical to that effort.

ASSEMBLYMAN HARDY:

If the Legislature decreases the CCBG grant, it would increase the need for beds at the State level.

MS. COMEAUX:

I agree.

ASSEMBLYMAN ARBERRY:

I understand the Governor removed the CCBG grant to Clark County. I am trying to locate that change in the *Executive Budget*.

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CHAIR LESLIE:

Are you talking about the Spring Mountain Youth Camp or the Temporary Assistance to Needy Families (TANF) funds?

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

Assemblyman Arberry may be addressing the reduction in TANF funds for the counties. That is not specifically in the DCFS budget.

CHAIR LESLIE:

The block grant relates to the bed reduction issue. I am concerned that the numbers of beds are being reduced in many facilities, reducing the CCBG grant and not enough youth are being paroled. That was made apparent at the budget hearing. There appears to be interest on the Subcommittee to ensure there is sufficient funding at the community level. The DCFS requested \$490,000 annually. What amount of funding is requested in your budget for the CCBG grant?

Ms. COMEAUX:

The CCBG grant request is approximately \$650,000. The \$490,000 would be in addition to the \$650,000.

CHAIR LESLIE:

The \$650,000 is actually a \$40,000 decrease from what is currently in the biennial budget. There is less funding at the county level, fewer beds are being requested and there may not be a need for as many beds.

Ms. COMEAUX:

The Department add-back list ([Exhibit C](#)) also requests four additional youth parole officers to help the situation.

CHAIR LESLIE:

What is the current census at the SVYCC?

Ms. COMEAUX:

The census is 48 residents.

CHAIR LESLIE:

Has that number remained steady over time?

Ms. COMEAUX:

That is correct. It fluctuates, but remains steady.

CHAIR LESLIE:

I will concur with the reduction in the number of beds, as long as we look carefully at the CCBG grant and youth parole issues. It is good that fewer youth are being committed to the facility. Local efforts must continue.

The Subcommittee will now move to the Nevada Youth Training Center (NYTC).

MR. GOODMAN:

In the *Executive Budget*, decision unit E-606 for the NYTC in Elko, is recommended to reduce 20 beds from a total of 160 beds. Therefore, 140 beds would remain for male youth. This would result in a savings of approximately \$331,000 in FY 2009-2010 and \$334,000 in FY 2010-2011. Staff has worked with the Division to identify additional savings. The *Executive Budget* included five position eliminations. The Division has indicated 10 positions should be eliminated in conjunction with the elimination of 20 beds. That would produce approximately \$277,000 in additional savings in each fiscal year.

E-606 Staffing and Operating Reductions – Page DCFS-87

CHAIR LESLIE:

Are the 20 beds currently closed?

MR. GOODMAN:

They are currently vacant. The 25th Special Legislative Session, in December 2008, preserved salary savings by keeping the beds closed and the associated positions vacant.

CHAIR LESLIE:

In other words, this is a continuation of the bed reductions already in place for current budget reductions?

MS. COMEAUX:

That is correct.

CHAIR LESLIE:

What is the current census at the NYTC?

MS. COMEAUX:

The NYTC census is 125 with a 140-bed capacity.

CHAIR LESLIE:

Is there any overcrowding with the reduction in the number of beds at this point? Are you comfortable with the staffing levels?

MS. COMEAUX:

There is no overcrowding and staffing is adequate.

CHAIR LESLIE:

I see no objections to the continuation of the 20-bed reduction at the NYTC. Please discuss the school issue at the NYTC.

MR. GOODMAN:

Decision unit E-608 proposes to transfer the operation of the high school at the NYTC to the Elko County School District (ECSD) which would produce a savings of approximately \$922,000 in FY 2009-2010 and \$930,000 in FY 2010-2011. Since that recommendation was made, staff has worked with the Nevada Department of Education (NDE) that has provided an estimated per-pupil funding of the Distributive School Account (DSA) if the operational transfer is approved.

E-608 Staffing and Operating Reductions – Page DCFS-87

If the NYTC high school is transferred to the school district it would be funded by the DSA funding. The NDE's latest estimate of per-pupil funding for the 2009-2011 biennium, with the transfer, would create an impact of \$902,000 each year. The savings in this budget versus the increase in the DSA budget are nearly equal.

The Subcommittee should note the ECSD was not in favor of this transfer at its meeting in January 2009. The school board voted to reject the proposed transfer. They have communicated their issues with the proposal. Information the DCFS has provided staff has been forwarded to the Subcommittee concerning the other reasons the proposed transfer is reasonable and recommended. It indicates there would be benefits for the teachers and for the youth at the NYTC. If the teachers were school district employees they would have more access to training and school system support. Staff notes this would align the NYTC with the manner in which education is provided at the other State facilities in Caliente, Spring Mountain, Las Vegas and China Springs.

CHAIR LESLIE:

Did you talk about vocational programs?

MR. GOODMAN:

That is the other issue. The *Executive Budget* recommends funding for vocational education and the athletic programs to remain in the DCFS budget, whether or not school operations are transferred to the school district. Staff noted those programs are a substantial cost of approximately \$350,000 annually. If the school district were to operate the school, the DSA funding theoretically contains funding for vocational education and athletic programs.

CHAIR LESLIE:

Staff has provided three options to consider:

- Whether to transfer the high school, without the acceptance of the ECSD,
- If the school is transferred, whether it should be a phased implementation and
- Which budget should fund the vocational education and athletic programs?

ASSEMBLYWOMAN SMITH:

These choices were discussed in a subcommittee meeting on March 25, 2009. There was concern about making the change. The ECSD has concerns regarding whether they can effectively manage the change. It appears to be a wash fiscally. The transfer was originally recommended by the Spending and Government Efficiency Commission (SAGE) as a cost saving measure. However, once budget corrections were made there does not appear to be significant savings achieved. No conclusions were made.



CHAIR LESLIE:

Did that subcommittee discuss whether the testing scores for the ECSD would be lower because of the inclusion of the NYTC students?

ASSEMBLYWOMAN SMITH:

School districts have the obligation to educate any youth in their districts if that is the policy decision of the Legislature. The testing issues are a concern. The information from staff explains the method currently used to represent the NYTC students. Their data is calculated much differently than if they were integrated into the ECSD.

I would be more concerned about whether the transfer is the right thing to do for the students and whether there are adequate programs within the ECSD to serve these students. These students require specialized programs and attention. If the current programs are working and there is no significant budget savings, why should the school be transferred to the ECSD?

ASSEMBLYMAN HARDY:

I was not present at the March 25th Subcommittee meeting. However, it seems to me we are imposing our will on the ECSD. I do not know the percentage of student residents at the NYTC. If those students are from Elko, there is a property tax base that would support the ECSD. If the NYTC students are from other counties, there is a property base in those counties that would support a funding source for those students.

It does not appear there is a property tax base supporting education keeping the ECSD whole, unless the basic school support was provided from the original counties of residence for the NYTC youths. I suspect there are 16 counties that would reject that proposal.

ASSEMBLYWOMAN BUCKLEY:

Currently, the law recognizes the youth now reside in Elko County and that county is now required to support the youth. The local school districts for the other State youth facilities provide the education for their facility residents.

I do not support the transfer of the high school from the NYTC to the ECSD. I stated my position in the March 25 subcommittee meeting as well. Our schools are already struggling with the budget cuts. To ask them to do more, with no planning and no transition, does not seem right. The request was intended to result in budget savings. However, the review by the Legislative fiscal analysts has determined the transfer does not result in budget savings; therefore, we should not make the transfer.

CHAIR LESLIE:

I concur with Assemblywoman Buckley. If the DCFS wants to pursue the transfer in the future, there is much more preparation to be completed. I see no objections to leaving the high school at the NYTC, under the DCFS budget.

We will now discuss the issues with the Caliente Youth Center (CYC).

MR. GOODMAN:

The CYC has issues similar to the other two facilities we have discussed. Decision unit E-606 recommends the elimination of 20 beds at the CYC which reduces the space available from 140 beds to 120 beds. These would be female youth beds. The General Fund savings would be approximately \$309,000 in FY 2009-2010 and \$314,000 in FY 2010-2011.

E-606 Staffing and Operating Reductions – Page DCFS-57

Staff has worked with the DCFS to identify additional savings of approximately \$104,000 annually. Nine positions were recommended for elimination in the *Executive Budget*. The DCFS has indicated ten positions can be eliminated consistent with the number of beds recommended for elimination.

The other issue in this recommendation is an additional \$200,000 to be transferred to the Lincoln County School District to offset the impact on the DSA funding they receive for these youth. If 20 beds are eliminated at the CYC and the school district receives approximately \$10,000 in per-pupil funding, the bed elimination would reduce the DSA funding by approximately \$200,000. The DCFS proposes to make the school district whole by offsetting the DSA loss with a General Fund allocation.

It would also impact their vocational education programs. The school district indicated if the \$200,000 was removed from their DSA funding, vocational teaching positions would be eliminated.

The decisions for the Subcommittee are whether to eliminate the 20 beds in the CYC and whether to include a General Fund appropriation of \$200,000 to the Lincoln County School District to offset the DSA loss if the beds are eliminated.

CHAIR LESLIE:

Have these beds already been reduced?

MS. COMEAUX:

Yes, they have.

CHAIR LESLIE:

What is the current census at the CYC, and what is the capacity?

MS. COMEAUX:

There are currently 118 residents at the CYC and the present capacity is 120 residents.

CHAIR LESLIE:

Is the current census unusually high? What has been the average census?

FERNANDO SERRANO (Deputy Administrator, Juvenile Services, Division of Child and Family Services, Department of Health and Human Services):

There has been a spike in youth placements. The Subcommittee should look at the long-term trends for youths in that stage of their treatment versus the commitments around the State. There is a fairly smooth flow of youth in the

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facilities. They are obtaining the various skills and treatment needed to set a foundation for their parole with supervision.

CHAIR LESLIE:

Are you comfortable with the requested reduction in beds at the CYC?

MR. SERRANO:

Yes, I am. This is part of a package arranged with the county juvenile justice administrators.

CHAIR LESLIE:

Was the issue of the vocational program funding discussed in the subcommittee meeting on March 25?

ASSEMBLYWOMAN SMITH:

That item was not discussed on March 25. There was significant discussion about using a portion of the ARRA funding through the Department of Employment, Training and Rehabilitation (DETR) for vocational programs. This budget may be a perfect opportunity for that funding stream.

MS. COMEAUX:

The DCFS met with the DETR and a plan is moving forward to target youth in the DCFS facilities for workforce development funds. We are developing specific proposals for the CYC and China Springs.

ASSEMBLYWOMAN SMITH:

I recommend the DCFS also speak with Ms. Phyllis Dryden, Office of Career, Technical and Adult Education at the NDE, who is working with the DETR on the same issue. We will have more successful outcomes by forming partnerships.

ASSEMBLYMAN HARDY:

Is the recommendation a continued decrease in the number of beds or a potential further decrease in beds? Is the reduction due to anticipation of additional funding in the CCBG grants for local placements?

MS. COMEAUX:

Yes, it is the same situation as in the prior budget.

CHAIR LESLIE:

Are there any objections to the proposals for bed reductions at the CYC? The beds are already closed. I see no objections.

MR. GOODMAN:

I have provided a summary of the changes proposed in the Southern Nevada Child and Adolescent Services, B/A 101-3646.

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

Budget Account 101-3646

This is related to the transfer of acute care psychiatric services at the Desert Willow Treatment Center to the Muril H. Stein Hospital facility on the same campus. The DCFS provided a preliminary estimate of renovation costs of \$560,785 for the Stein Hospital. The DCFS was asked to revise the estimate to include flooring costs at the DCFS budget hearing in February 2009. The DCFS has returned with a new estimate of \$622,500 for renovations to include the first level flooring. The DCFS acknowledges the estimate does not include project management costs or the funding of a major drain repair that would be required.

The State Public Works Board (SPWB) has also estimated the costs for the Stein Hospital renovations to be \$2.4 million to \$2.5 million with a time frame of 18 months for completion.

The drain repair is recommended to be funded by the Division of Mental Health and Developmental Services because the Stein Hospital is their facility. They will bring a work program request to the Interim Finance Committee for the drain repair.

The SPWB has also provided estimates of the costs to plan and construct a new 36-bed, free-standing acute-psychiatric care hospital on the same campus, separate from the Desert Willow Treatment Center. Their estimate is \$2.5 million to \$2.7 million for planning the new facility and \$32.3 million to \$33.9 million for a total planning/construction budget. The SPWB recommends the planning be completed in the 2009-2011 biennium with the construction to take place in the 2011-2013 biennium. That recommendation would coincide with *Nevada Revised Statutes* (NRS) 341.191 which recommends projects costing over \$10 million to be planned in one biennium and constructed in the next biennium. The DCFS has indicated they prefer the planning and construction to be completed in the same biennium, if possible.

There are General Fund savings \$755,000 in FY 2008-2009, in this budget related to the ARRA funding. Additional funds of over \$1 million in FY 2009-2010 and FY 2010-2011 could offset a portion of the costs for this item.

The Subcommittee's decision is whether to move forward with the recommended transfer of the services to the Stein Hospital, which could take 18 months to renovate. It must also consider how long services could remain at the Stein Hospital versus planning and construction of a new hospital. Additionally, the Subcommittee must consider whether the Centers for Medicare and Medicaid Services (CMS) would accept either plan. There may be a risk of losing federal reimbursement for these services if the chosen solution takes too long.

CHAIR LESLIE:

That is not good news. What are the DCFS recommendations?

Ms. COMEAUX:

From the DCFS perspective, if it will take 18 months to renovate the Stein Hospital and 18 months plus design time to build a new hospital, our preference would be to build a new hospital. That is where the DCFS needs to

be in the long term. If renovation costs are \$2.4 million, the money would be better spent toward building a new hospital.

During the past two months, communications and responses from the CMS for specific questions have not been forthcoming. Even if the Stein Hospital was renovated, there is also a question as to whether or not it would qualify for licensure. The Health Division believes the renovations and transfer would change the purpose of the licensure. Therefore, the DCFS would need to submit to a new licensure process. If that occurs, the entire Stein Hospital may be refused licensure.

We will submit the plans for a new hospital to the CMS and hope they will accept. With either option we are out 18 months.

CHAIR LESLIE:

I agree with the DCFS recommendation. I am concerned with revenue sources to fund planning and construction of a new hospital. If a new hospital cannot be funded, the Stein Hospital is not a good option as noted. Will the State continue the way we are and hope for the best? How long can that go on?

MS. COMEAUX:

I cannot respond to how long we can continue as we are. My staff is considering other options. A new hospital opened in Las Vegas which has one wing that is not yet in use that we might utilize for a short period of time. They are newly licensed. It is not the most ideal situation. We have other plans we are considering because we do not want the services to go away.

CHAIR LESLIE:

Please share those options with our staff. When the Committees meet to close this budget we will have a clearer path of realistic options.

MR. GOODMAN:

One add back item in [Exhibit C](#), for B/A 101-1383 has been discussed as an alternative to bed reductions in the juvenile justice facilities by placing additional funding in the CCBG grant in the *Executive Budget*. The DCFS has requested that General Fund of \$490,000 each year be added to the CCBG grant. The funding is allocated to the District Courts and distributed to the communities to provide local diversionary programs to keep youth from entering State facilities.

HHS - Community Juvenile Justice Programs – Budget Page DCFS-1  
(Volume III)  
Budget Account 101-1383

CHAIR LESLIE:

How was the amount of \$490,000 derived?

MS. COMEAUX:

When the original proposal was made, it only included closing units at the CYC and the NYTC. Savings would be realized by that action and our recommendation was to reinvest that savings in the CCBG grants.

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CHAIR LESLIE:

The Subcommittee should give careful consideration to adding funding to the CCBG grants. I am unsure what amount of funding should be moved. The amount of \$490,000 annually is a considerable investment. If it keeps youth out of institutions; however, it is money well spent.

ASSEMBLYMAN HARDY:

I have already concurred with this decision.

CHAIR LESLIE:

Do you have additional thoughts on the amount of funding that should be allocated?

ASSEMBLYMAN HARDY:

I would approve the least amount that would accomplish the goal.

ASSEMBLYWOMAN BUCKLEY:

Is this the proposal for the \$261,000 allocation? What is the DCFS recommending?

CHAIR LESLIE:

The DCFS budget request to the Governor recommended \$490,000 each year. Testimony has been given that the amount requested is based on the closure of units at the CYC and the NYTC. Does that include the units at the SVYCC?

Ms. COMEAUX:

Our original budget did not anticipate closing units at the SVYCC.

ASSEMBLYWOMAN BUCKLEY:

The decision is to restore what is essential in view of closing units and focusing limited funding to community treatment and supervision. What amount does the DCFS see as essential?

Ms. COMEAUX:

The DCFS feels the \$490,000 request is reasonable. As has been indicated, a slight reduction has been identified, leaving a request of \$450,000 additional for the overall program. The counties would argue they could double the amount and see great progress.

ASSEMBLYWOMAN BUCKLEY:

What, exactly, does the \$450,000 do for the State?

Ms. COMEAUX:

There is a strict application process for the CCBG grants. The Juvenile Justice Commission administers the process. The DCFS considered more intense supervision in the communities and hopefully funding for drug rehabilitation. A number of youth entering the State facilities have significant drug problems. The facilities are not equipped for the level of care needed. Our preference would be to target drug rehabilitation and intense community supervision.

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ASSEMBLYWOMAN BUCKLEY:

If youth facility beds are being reduced, it is essential for additional funding to be placed in the supervision and treatment aspects of care.

CHAIR LESLIE:

I agree. Please return to the Subcommittee with options and details about what different levels of funding will specifically provide. For example, if \$200,000 were added to the General Fund for this budget, what would it accomplish? How many youth would be prevented from entering a State facility?

Ms. COMEAUX:

We can work with our partners to provide the information.

CHAIR LESLIE:

Do not request above the \$490,000 amount, but provide different options for our consideration.

MR. GOODMAN:

The last item in the DCFS is Youth Parole Services, B/A 101-3263.

HHS - Youth Parole Services – Budget Page DCFS-91 (Volume III)  
Budget Account 101-3263

There are other add-back items from [Exhibit C](#) regarding four new youth parole counselor positions. These would address the projected caseload growth in youth parole. It would eliminate the possibility of tiered supervision for youth parole. The eventual goal is a staff to youth ratio of 1:22. That would be the same as the foster care caseworker caseload ratios.

The cost for the four positions would be approximately \$261,000 in FY 2009-2010 and \$331,000 in FY 2010-2011.

CHAIR LESLIE:

Did the DCFS request the four positions in its initial budget requests, but they were not funded in the *Executive Budget*?

Ms. COMEAUX:

That is correct.

CHAIR LESLIE:

What is the current staff to youth ratio for youth parole?

Ms. COMEAUX:

The statewide average ratio is approximately 1:35. Realistically, we are somewhat higher in the Las Vegas area. That ratio is approximately 1:40. The Reno area is approximately 1:25. The requested four positions would be placed in Las Vegas, which would result in closer to a 1:25 ratio statewide.

Those youth who are placed in a State facility are those who have not been successful in community placements. As they are paroled, they are the more difficult cases to monitor. We would like our parole officers to conduct more

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intense supervision so, hopefully, the youth do not continue to cycle through the system.

CHAIR LESLIE:  
That makes sense.

ASSEMBLYMAN ARBERRY:  
What is the national average for paroled youth?

MR. SERRANO:  
The recommended average for this population is 1:15 or 1:18. At the county level, county probation officers supervise everyone from shoplifters to moderate offenders. It is not until the individual reaches a point in severity of the offense or an accumulated-prior record, that they are placed in a State facility and subsequently released on parole.

If youth in the court system are a high risk, youth on parole are the highest of the high risk. Youth on parole would have already gone through a host of services at the community level before the court placed them in a State institution. Because of that, more intense supervision is necessary.

ASSEMBLYMAN ARBERRY:  
How will we know if the additional officers are addressing the need? Will performance measures be developed?

MR. SERRANO:  
The court findings and the resulting caseload reviews will provide information. On a day-to-day basis, the parole officers will have the same type of oversight and review of performance as those the child welfare workers follow. Performance will be measured by the number of visits, services to the families, and others. Ultimately, recidivism rates will provide further data.

It is our hope the issues can be addressed before they result in revocation of a minor's parole with more intense supervision and return to an institution.

CHAIR LESLIE:  
Public safety is an essential service of the State. The positions should be considered for restoration to the budget. We are reducing the number of beds at the SVYCC. I will accept that decision only if funding is added to the Department of Corrections for sufficient youth parole services. Can the DCFS accept an additional two positions, rather than four positions?

MS. COMEAUX:  
We need the four positions to reach a reasonable caseload.

CHAIR LESLIE:  
I agree.

MR. SERRANO:  
For the record, you are adding back need for the parole officers as part of the package deal we have discussed with the Nevada Association of Juvenile Justice Administrators. It is our belief that youth are best treated in the



community, neighborhood by neighborhood. One part of the package is the CCBG grant and the other is the additional parole officers. It is our goal to keep youth from being placed in institutions; and for those who are institutionalized, to keep them from returning to institutions.

CHAIR LESLIE:

Is the Association requesting both the grant funding and the additional parole officers?

MR. SERRANO:

That is correct.

CHAIR LESLIE:

We will turn to the budget of the Department of Health and Human Services (DHHS) Director's Office.

#### HEALTH AND HUMAN SERVICES ADMINISTRATION

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

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

The first item is B/A 101-3150. The Governor has recommended elimination of the General Fund appropriations for the costs of the Nevada 211 Program. The 2007 Legislature appropriated \$200,000 each year as well as a \$200,000 one-shot appropriation for the program over the 2007-2009 biennium.

Actual expenditures in FY 2007-2008 were slightly more than \$180,000. Only \$130,834 of that was considered ongoing costs of the program. That is the amount of the reduction reflected in the *Executive Budget*. Interest has been expressed within the Subcommittee in providing funding for the program.

Staff has presented three options for consideration by the Subcommittee:

- Approve the Governor's recommendation to eliminate General Funds for the Nevada 211 System during the 2009-2011 biennium, but include the \$104,705 in the UnitedHealth Settlement funds in the *Executive Budget* for the costs of operating the system in FY 2009-2010. That amount could be added to the budget to indicate a pass-through for the Nevada 211 Program.
- Approve the ongoing General Fund expenditure authority for the system totaling \$130,834 in each year of the 2009-2011 biennium, but use the \$104,705 in UnitedHealth Settlement funds to offset the General Fund need in FY 2009-2010. The General Fund added to the budget would only total \$26,129 in FY 2009-2010 and \$130,834 in FY 2010-2011.
- Restore the ongoing General Fund appropriation for the system of \$130,834 in each year of the 2009-2010 biennium in addition to the \$104,705 in UnitedHealth Settlement funds available for operating the

system in FY 2009-2010. Expenditure authority for the system would total \$235,089 in FY 2009-2010 and \$130,834 in FY 2010-2011.

ASSEMBLYWOMAN SMITH:

I cannot imagine elimination of General Fund support for the Nevada 211 Program budget. Extraordinary results have been seen with this program. Even with the funding, we have not achieved 24 hours a day, 7 days a week, coverage. We have heard testimony that budget reductions will likely result in fewer hours of coverage. One of the difficult issues is the training needs with the updated data that the workers need. With the changes in federal programs, the ARRA funds and public needs, a level of support is needed for the program. This is a perfect example of good public/private partnerships we hear about. There is extensive private support and volunteerism for this program.

I have no suggestion as to what level of funding should be restored, but it should be a priority for restoration.

CHAIR LESLIE:

Is it your recommendation to keep the program at same level of General Fund as it has currently? That amount is \$130,834.

ASSEMBLYWOMAN SMITH:

That would be excellent. That amount maintains the current level of service. The ideal would be increased funding to improve the resources available.

CHAIR LESLIE:

If the Subcommittee approved the second option it would use the UnitedHealth Settlement funds of approximately \$104,000 to replace the General Fund.

ASSEMBLYWOMAN SMITH:

I agree. I cannot concur with the Option 1. Perhaps a combination of Options 2 and 3 would be a good resolution.

ASSEMBLYMAN HARDY:

Where is this item on [Exhibit C](#)?

MR. COMBS:

This item was on a department wide restoration request list. However, it did not make it into the top 16 priorities of the DHHS. The restoration of the Base Budget funding of \$130,834 in each year is on the full DHHS list.

ASSEMBLYMAN HARDY:

Please clarify the plan for this account.

CHAIR LESLIE:

It is on the DHHS restoration list at the base funding level of \$130,834, but not within the top 16 priorities.

MR. COMBS:

The DHHS recommendation would be the third option.

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CHAIR LESLIE:

Did the DHHS list add the approximate \$104,000 UnitedHealth Settlement funds to the base funding?

MR. COMBS:

It was not on their restoration list. However, it has been shown on spreadsheets that have been provided to staff acknowledging the amount and their plan to utilize it for this program.

CHAIR LESLIE:

Will the Agency please clarify the answer to Assemblyman Hardy's question? Also, what is the Agency intent for utilization of the UnitedHealth Settlement funds? Does it make sense to utilize the funds to replace the General Fund?

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

The DHHS is counting on the UnitedHealth Settlement funds being added. Even with that, the DHHS would be approximately \$270,000 short in the first year and over \$400,000 short in FY 2010-2011.

SHAWNA DEROUSSE (Administrative Services Officer, Director's Office, Department of Health and Human Services):

The approximately \$104,000 was counted and planned for use in the Nevada 211 Program for FY 2009-2010. The UnitedHealth Settlement funds end in FY 2009-2010. Therefore, funding available in FY 2010-2011 will be short.

The DHHS is counting on the Casey Family Programs funds for which we have been approved. That will add \$50,000 for FY 2009-2010 and we hope the FY 2010-2011 allocation will be at least an additional \$50,000. There is not yet a signed plan for FY 2010-2011.

ASSEMBLYMAN HARDY:

I heard a request for \$400,000.

MS. DEROUSSE:

During its February 2009 hearing the DHHS provided an exhibit that showed a basic Nevada 211 Program budget. In FY 2009-2010, it indicated the DHHS budget was approximately \$200,000 short. That \$200,000 can be covered by the use of Casey Family Programs and UnitedHealth Settlement funds. That is especially true if the \$130,000 base year funding was restored.

The Program was short \$444,000 in FY 2010-2011 and that is where we are having difficulty finding a revenue source.

ASSEMBLYMAN HARDY:

Through its lifetime, the Nevada 211 Program has demonstrated a real savings to people and shown how much can be done. This is a valuable program.

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CHAIR LESLIE:

Are both the \$130,000 General Fund appropriation and the \$104,000 UnitedHealth Settlement funds needed to maintain the service level? Is the request for an increase or to maintain the program?

Ms. DeROUSSE:

The DHHS would need the base budget of \$130,000 to maintain the current program. There were also Casey Family Program funds, Title XX funds and tobacco funds in the Base Budget. The \$130,000 would be needed to maintain the program.

CHAIR LESLIE:

What happens if the \$130,000 is not approved?

Ms. LIVERATTI:

We are currently examining many avenues for funding. We received a small grant of \$14,000 from the Maternal and Child Health Grant that will be added to FY 2008-2009. We are hoping for approximately \$30,000 in each year of the next biennium. However, with that funding come other functional requirements.

The DHHS recently met with the Division of Emergency Management of the Department of Public Safety. They are interested in the Nevada 211 Program. The program slogan is "Get help and give help." They are interested in the program being a site to coordinate volunteers and donations in times of disasters and emergencies. Homeland Security funding, although tight as well, may be available.

We have initiated an evaluation of our operations to determine if we are as efficient as possible. We reviewed the telephone call volume and whether staffing can be adjusted.

The funding for the 2009-2011 biennium would be a difference of approximately \$50,000 between the FY 2009-2010 and FY 2010-2011 funding. We are trying to keep expenses as limited as possible.

CHAIR LESLIE:

We appreciate the DHHS efforts. There appears to be support for maintenance of the current service level. Continue to work with our staff and update them on your funding search. At the time of closing, we will have a better idea of what level of restoration is needed to maintain the current program.

MR. COMBS:

This budget is scheduled to close next week.

The next two items are Ms. Heidi Sakelarios' accounts. However, she is in the other subcommittee meeting this morning. I will present the information to this Subcommittee.

These are both Title XX management issues in B/A 101-3195, the Grants Management Unit (GMU).

HHS - Grants Management Unit – Budget Page DHHS DIRECTOR'S OFC-14  
(Volume II)  
Budget Account 101-3195

In decision unit E-325, the *Executive Budget* recommends an additional \$198,791 in Title XX funds in each year of the biennium to increase funding for nonState agencies. The DHHS testified at its hearing their goal was to increase the nonState Agency funding up to approximately 10 percent of the grant amount. That was the purpose behind the request.

E-325 Services at Level Closest to People – Page DHHS DIRECTOR'S OFC-18

While the request was an Agency goal, it is not a Title XX grant requirement. In a biennium when certain DHHS agencies are experiencing deep reductions, giving the nonState agencies an increase must be considered.

The decision for the Subcommittee is whether to use the Title XX funds for nonState agencies or use it to offset the General Fund needs of the Department in an Agency authorized to utilize Title XX funds.

CHAIR LESLIE:

I have been one of the biggest proponents of trying to reach the 10-percent funding level. It appears the funding is currently at 8 percent. The nonState agencies do a great job and they are appreciated. However, it is hard to support moving nearly \$200,000 in each fiscal year to the nonState agencies when that funding would pay for the Nevada 211 Program deficit.

I hear no objections to retaining the \$200,000 annually for General Fund restoration where appropriate.

MR. COMBS:

I have provided a document to explain the options for the second Title XX issue in this budget ([Exhibit D](#)).

There is approximately \$1.9 million in Title XX and TANF funds that have not been allocated for the upcoming biennium. The funding is from three different sources. The first amount of \$600,000 is Title XX funds remaining from previous fiscal years. Those funds were not drawn in previous years and are available to be drawn.

Approximately \$1 million was being shown as a reserve for future biennia. However, the *Executive Budget* has used approximately \$200,000 of those funds in each year to fund their Title XX expenditures as recommended in the budget. The DHHS has indicated their desire to retain the \$600,000 for allocation in future years. The funds would be a one-shot appropriation if utilized in the budget.

The second fund consists of \$620,000 of TANF funds in each year. It is reflected as being transferred from the TANF account to the GMU account. However, it has not been expended from the GMU account.

Historically, the TANF funds have been utilized to flow through the GMU to become Title XX funds. The TANF block grant allows up to 10 percent of the grant to be used for that purpose.

These funds can either be retained in the TANF account and utilized to increase or create a TANF reserve, or used to fund other TANF initiatives. They could be transferred through the GMU account and used to offset the General Fund in those accounts currently receiving Title XX funds.

The third fund is \$20,000 in each year, allocated to the Division for Aging Services (DAS) in the Governor's recommended budget that is no longer needed in that budget. The Nevada State Office of Energy has indicated the DAS will continue to receive the \$20,000 annually that is historically received from the Petroleum Overcharge Rebate Account.

During the budget hearing, the Director's Office indicated that \$200,000 of the funds that were shown as transferred from the TANF to the GMU account were supposed to have been transferred to the DCFS for the Domestic Violence Program. An error was made to eliminate the transfer of those funds to the Program and the DHHS requested the Subcommittee consider using \$200,000 in each year of the available funding stream to help support the Domestic Violence Program. The funds could be taken from the funds available from the Title XX Funds available from previous years or it could be taken from the other TANF funds.

The first decision for the Subcommittee is whether or not to approve the allocation of \$200,000 in each year from this account for the Domestic Violence Program. The Subcommittee would also need to determine the fund from which the allocation should be derived.

CHAIR LESLIE:

The information provided in [Exhibit D](#) is helpful. I feel the funding of the Domestic Violence Program should be addressed. I would prefer the funding to be derived from the TANF funds. It would be an ongoing allocation to be depended upon. How does that relate to the decisions outlined in the staff document? That would be Option 2.

ASSEMBLYWOMAN BUCKLEY:

This issue first arose in the latter part of the 2007 Legislature when the marriage license fees were occurring at a far lower rate than projected. The Senate and the Assembly worked on this funding stream because the statewide Domestic Violence Program would have been decimated.

This allocation would partially fill the gap. It does not bring them anywhere near a whole budget. I understand a couple of measures are pending in the Senate to find additional solutions. I would hate to pull the rug out from under these organizations. I would support funding as described from the TANF funds.

ASSEMBLYWOMAN SMITH:

I concur. I am concerned about the funding sources dwindling while the needs are not.

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ASSEMBLYWOMAN GANSERT:

I also support these programs and the suggested funding source.

MR. COMBS:

Page 1 of [Exhibit D](#) pertains to the \$600,321 funding available from previous fiscal years. The Subcommittee must decide if the funds will remain unallocated for use in future biennia or whether to allocate the funds in the 2009-2011 biennium to offset the General Fund need in accounts currently receiving Title XX funds.

CHAIR LESLIE:

What would be the purpose for the funds not being allocated? Would it be used to build a reserve?

MR. COMBS:

When one-time funds are used to fund programs, it is all used at one time, either the grant must be increased or the amount of funding for those programs in future years must be back-filled with funding from some other source or reduced.

Staff recommends if the \$600,321 is used for a one-time appropriation, the Subcommittee should be aware it is as a one-time appropriation to offset the General Fund in this biennium. The Fiscal Analysis Division will search for the appropriate locations for those funds within Agency budgets. The entire amount would be utilized in the first year of the biennium. When the Agency builds its budget requests for the following biennium, they will use the amounts of the second year, also known as the work program year, to develop their budget.

CHAIR LESLIE:

That would prevent us from funding programs for which we cannot provide ongoing allocations.

MR. COMBS:

The result would be the Agency would be kept at the same funding levels. The Agency would be required to request a General Fund appropriation to replace the funding in the following biennium. The savings would occur in one biennium only.

CHAIR LESLIE:

I am in favor of using money this Legislative Session because of the economic situation and the vast number of needs.

MICHAEL J. WILLDEN (Director, Department of Health and Human Services):

The Agency has no position on this decision. In light of the economic situation, the DHHS has tried to build small reserves wherever possible. That is balanced with the plethora of needs that require funding in the current year.

Title XX funds can be utilized for many programs such as the Nevada 211 Program, the Domestic Violence Program, or restoring other Agency budgets.

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CHAIR LESLIE:

I appreciate that. I would agree with building small reserves in a normal year, but this is not a normal year. We need to offset the General Fund wherever we can.

SENATOR RAGGIO:

I would reserve the funding.

CHAIR LESLIE:

Are you suggesting reserving the full \$600,321?

SENATOR RAGGIO:

I believe the funds should be reserved until the Legislature reaches the point where we know the final needs.

CHAIR LESLIE:

Are you suggesting we do not use these funds to backfill the budget?

SENATOR RAGGIO:

It is a tentative suggestion. We may decide differently at a later time.

MR. COMBS:

The second funding source is now reduced to \$420,321. This is the TANF funds that were just allocated for use in the Domestic Violence Program. The amount remaining in each year is \$423,321. The decision to be made by the Subcommittee is: use the funds; leave the funds in the TANF account, or use them to offset General Fund needs in the 2009-2011 biennium.

CHAIR LESLIE:

Does this relate to the TANF reserve discussion planned for later this morning?

MR. COMBS:

That is correct.

CHAIR LESLIE:

The remaining TANF funds should be used to offset General Fund needs.

ASSEMBLYWOMAN GANSERT:

It appears the Title XX funds can be utilized for many different programs so we do not need to decide the fate of the TANF funds at this point.

CHAIR LESLIE:

I see no objections from the Subcommittee to hold the TANF funds in reserve until we have a better overall budget picture. Will that be a problem for staff?

MR. COMBS:

The final group of funds is the \$20,000 each year from the Petroleum Overcharge account. This could be considered ongoing money and staff would recommend this fund be used to offset General Fund needs.



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CHAIR LESLIE:

Are there any objections to that staff recommendation from the Subcommittee?  
Seeing none, we will move forward.

MR. COMBS:

The next item is B/A 101-1499, the Public Defender account.

HHS – Public Defender – Budget Page DHHS DIRECTOR'S OFC-43 (Volume II)  
Budget Account 101-1499

Decision unit M-504 recommends three new positions for the Public Defender's Office: one attorney for the Carson City Office, one investigator for the Ely Office and one administrative assistant position related to the attorney position for the Carson City Office.

M-504 Mandates – Page DHHS DIRECTOR'S OFC-45

The budget funding is recommended the same as in the last biennium for the Public Defender's Office at 75 percent from county fee revenue and 25 percent with State General Funds.

The request for the positions is the result of a Nevada Supreme Court Order issued during the current biennium regarding indigent defense and the caseload standards. In the order, Washoe and Clark Counties have been asked to conduct a weighted-caseload study to determine the best caseload standards. The Public Defender's Office had already been tracking that information. They tried to meet the performance standards ordered by the Nevada Supreme Court with the American Bar Association's caseload standards recommendations for public defense attorneys.

The Public Defender indicates the additional attorney position is necessary for it to comply with the performance standards adopted by the Nevada Supreme Court. The Nevada Supreme Court order does not address caseload standards for investigators, but the performance standards, as adopted, impose a duty to investigate felony and misdemeanor cases even in situations when the defendant admits guilt. The Office indicates it has not been using investigative services in Ely for nonfelony cases due to a lack of resources. Because of the large amount of travel required, the Office did not feel it was feasible to use contract support for this purpose. The Ely Office is responsible for Eureka, White Pine and Lincoln counties. Contract service employees would charge by the hour for their services, including travel time.

The administrative assistant position is requested for the Carson City Office. The Office stated if the new attorney position is approved, the legal secretaries would need another administrative support position to address the workload.

CHAIR LESLIE:

The three requested positions are included in the *Executive Budget*. Have we heard from the counties concerning their payment for 75 percent of the costs?

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MR. COMBS:

That question was asked during the budget hearing. The Public Defender indicated they had notified the counties concerning the request and no major objections were expressed.

CHAIR LESLIE:

I would approve the allocations for the three positions. The Public Defender's Office, statewide, has been funded meagerly in the past. While the Nevada Supreme Court actions suggest the positions are needed, it is not a mandate.

SENATOR RAGGIO:

The Nevada Supreme Court seemed to send a signal, prior to this Legislative Session, that they were going to adopt the standards and then slowed the adoption process. If the positions are not funded, the danger is, the Nevada Supreme Court may issue an order for compliance in the interim period between Legislative Sessions.

CHAIR LESLIE:

I concur.

ASSEMBLYWOMAN BUCKLEY:

Is this an additional funding request?

CHAIR LESLIE:

No, it is already in the *Executive Budget*.

MR. COMBS:

No additional funding required, because the funding is in the budget.

CHAIR LESLIE:

We are considering the request because it is unusual for the Legislature to be adding positions in this economic situation. There will be no additional cost.

Hearing no objections we will move to B/A 101-3266, Community Based Services.

## AGING SERVICES

HHS – Community Based Services – Budget Page AGING-49 (Volume II)  
Budget Account 101-3266

MR. COMBS:

This is the Office of Disability Services (ODS) accounts being recommended to transfer to the DAS in the upcoming biennium. The first item is the Independent Living Grant (ILG). The Governor recommended a significant increase in the funding for the ILG Program of approximately \$1.2 million in each year of the biennium in decision unit M-540.

M-540 Mandates - Olmstead – Page AGING-51

Based on the Agency projections at that time this would have been sufficient funding to cover approximately 712 clients over the biennium. To put it in perspective, when this budget was closed in the 2007 Session for this biennium, sufficient funding was approved for what was identified as 374 clients. There is a significant increase in the number of clients who would receive services under the *Executive Budget*.

At the budget hearing in February 2009, the Agency indicated there was room to consider redistribution of a portion of the requested funding to other places within the budget. The Agency preference would be distribution to other areas within the same budget.

Although the Agency indicated the wait time for the program was approximately 14 months at the budget hearing, the wait time is measured from the time of application until the time the alterations or improvements are completed. At times, delays occur in alterations such as placement of wheel chair ramps outside homes or other improvement to homes and automobiles.

Delays may occur that have nothing to do with the program administration. They can be a result of contractor or homeowner situations. Targeting a 90-day wait time in this program would leave flexibility to go above that target and still comply with the federal Olmstead provisions.

However the funding is allocated, staff would recommend consideration of options that would reduce funding for the ILG grants, but still allow the Agency to make progress toward a reduction in wait times.

The calculations of the amount of funding in the Base Budget for this program were not accurate. When the actual base funding was added in, it reduced the amount of need. In addition, the cost for each case has decreased by approximately \$100 since the time the *Executive Budget* was submitted.

The first option staff has provided would be to reduce the funding recommended in the *Executive Budget* by \$419,871 in each year. That funding would enable the ODS to serve 624 clients over the biennium, reduce the wait list to approximately 40 clients and the wait time to approximately 60 days.

The second option would reduce the funding by approximately \$488,000 in each year. It would allow the Office to serve 600 clients, leave approximately 64 clients on the wait list and the wait time would be approximately 110 days.

The third option would reduce the funding by \$605,000 in each year. That would allow services to be provided to 559 clients, 105 clients would be on the wait list and the wait time would be 160 days.

All three options provide significant increases above the 374 clients approved for service during the current biennium.

SENATOR RAGGIO:

The budgeted funding would cover 712 clients. What is the actual number of clients currently being served?

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MR. COMBS:

The testimony in the Subcommittee hearing indicated the current level of service was approximately 147 clients. That was an annual figure, rather than over the biennium.

TODD BUTTERWORTH, M.B.A. (Social Services Chief, Office of Disability Services, Department of Health and Human Services):  
Staff is correct. The actual clients being served is 147 each year, after previous budget reductions.

SENATOR RAGGIO:

Please explain how the authorized number of clients was 712 over the biennium or 356 in each year and yet the number of clients served was approximately one-half that number.

Do any of the options provided by staff in some way, address the present number of clients served?

MR. COMBS:

That is correct. The Agency tries to project the number of additional applications that would be received.

SENATOR RAGGIO:

Option 3 would only address 105 clients. Is that correct?

MR. COMBS:

The third option would still serve approximately 559 clients. It would reduce the waiting list.

CHAIR LESLIE:

Any of the options would serve significantly more clients than what is being served in the current biennium.

MR. BUTTERWORTH:

That is correct.

CHAIR LESLIE:

There has been a budget adjustment in this account. The Subcommittee has an opportunity to serve more people and to also achieve certain budget savings. I am concerned about having a wait time greater than the 90 days required in the federal Olmstead provisions. On the other hand, the other factors that cause delays, such as contractor or homeowner delays, are more reassuring. The wait time is measured from the time of application to time of completion of the project. Is that the perspective of the Agency?

MR. BUTTERWORTH:

Mr. Combs is correct. We are in the process of developing a new case management system. One priority is to identify a more objective measurement of wait times. We hope to have the new system online later this calendar year. At that time the measured wait times can be adjusted.

Any of the three options would be an improvement in wait times. At the very least, progress can be shown toward the federal Olmstead provisions.

CHAIR LESLIE:

I appreciate the Agency's acknowledgement that significant progress can be made in Agency goals while still achieving budget savings.

ASSEMBLYWOMAN BUCKLEY:

It appears the wait list does not provide an accurate depiction of what is taking place in the program. If the Subcommittee chooses one of the proposed options, perhaps Option 3, I would like to see funding restored to the salary reductions proposed by the Governor for the personal assistant services (PAS) in the number of hours of service. That approach is consistent with the Legislative intent to harm the least number of individuals by reductions in the numbers existing services before new services are added. Perhaps one dollar each hour could be added back to the PAS hourly rate. Does the Agency have comments about that proposal?

MR. BUTTERWORTH:

The Agency has been in discussions with your staff concerning the various options. We could also consider reduced funding options for the ILGs and the Traumatic Brain Injury (TBI) programs. With that it might be possible to retain the current rate for the PAS and address the anticipated new applications for the program.

CHAIR LESLIE:

I agree with Option 3, noting the needs in other areas as described by Assemblywoman Buckley. Option 3 would allow the Agency to serve 559 clients over the biennium. The wait list might increase slightly, but significant savings of \$605,000 in each year of the 2009-2011 biennium would be achieved.

I see no objections to Option 3.

MR. COMBS:

The next program is in the same account. The Governor recommended increasing General Fund appropriations for the TBI Program by approximately \$1.2 million over the biennium. Based on the estimates at the time, the recommended funding would provide services for 122 clients over the biennium.

Although the funding would have been sufficient for 122 clients, the Agency has confirmed they were only seeing a need for services to 107 clients at the time of the budget preparations. Meanwhile, the Agency has updated the projections for the cost per client and the number of clients needing services.

The average cost for each client has increased significantly from \$27,886 per client to \$34,313 per client. The average has historically been based on a rolling 24-month average of the actual costs of services to clients.

There has been a decrease in the number of clients requiring services. The current projections are for services to 104 clients which would eliminate the wait list for the TBI program.

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Based on the federal Olmstead provision, which does not require the wait list to be eliminated, staff has provided two options for the Subcommittee to consider.

The first option would serve 97 clients over the biennium. That would reduce the wait list to approximately 7 clients and decrease the average wait time to approximately 60 days. It would result in a General Fund savings of approximately \$63,000 over the biennium.

The second option would serve 93 clients, reduce the wait list to approximately 11 clients and put the average wait time at the 90-day federal Olmstead target. The General Fund savings would be \$213,030 over the biennium.

CHAIR LESLIE:  
Does the Agency agree with the second option?

MR. BUTTERWORTH:  
We concur.

CHAIR LESLIE:  
Option 2 would still meet the 90-day federal Olmstead requirement. It will leave additional funding to move to other programs with a greater need.

I see no objections to Option 2 from the Subcommittee.

MR. COMBS:  
The final request in this budget is decision unit E-660. This request addresses Assemblywoman Buckley's comments concerning the PAS Program.

#### E-660 Program Reductions/Reductions to Services – Page AGING-53

Although the Governor recommended additional General Funds in this budget totaling approximately \$368,000 in each year for the in-home-care services provided by the program, the Governor also recommended reducing the reimbursement rate for provision of the services from the current rate of \$18.50 per hour to \$15.50 per hour.

The hourly rate reduction is applied not only in this account but throughout the DHHS for all personal care services tendered. The other primary agencies affected are the Medicaid Program and the DAS, Medical Waiver Programs. The reductions affect all three programs. The amount of the reduction in the PAS account is \$593,000 as a result of recommended rate decrease.

During the Subcommittee hearings for all three agencies, the advocates, providers and recipients of the services expressed concerns over the rate reductions. Related to this account, the sole provider of PAS services for the ODS indicated they would likely discontinue provision of the services if the rate was reduced.

The representatives for Medicaid indicated their rates could be reduced and still maintain some semblance to the rates paid in other western states.

It was noted there is a difference between what the rate pays for in this program as compared to those in both Medicaid and the DAS. The issue is case management and required assessments of clients.

In the ODS program, a contractor is paid to provide the services. In the DAS and Medicaid programs, the Agency makes direct provision of the services. The discussion suggested there may not be a need for a standard rate across all three programs.

Based on that information, there are two options for the Subcommittee to consider. The first option would be to accept the Governor's recommendation for reductions. The second option is Priority 4 on the DHHS add-back list [Exhibit C](#). It would retain the \$18.50 hourly reimbursement rate for the ODS program and to reduce the rates for the Medicaid and DAS programs by \$1.50 an hour rather than the \$3.00 an hour recommended in the *Executive Budget*.

The second option would result in a need of approximately \$2.6 million in additional General Fund in FY 2009-2010 and approximately \$3 million in General Fund in FY 2010-2011. It appears those figures consider the increased FMAP rate proposed in the ARRA provisions.

SENATOR RAGGIO:

I would support Option 2 for this decision unit.

CHAIR LESLIE:

I see no objections to Option 2. There has been much discussion on this item and the information was clearly presented.

The Subcommittee will now move to the DAS budgets.

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

Within the five DAS budgets, the Subcommittee has two work session issues. The first is in B/A 101-3146, Home and Community Based Programs.

HHS – Home & Community Based Programs – Budget Page AGING-15  
(Volume II)

Budget Account 101-3146

Decision unit E-606 was the Governor's recommendation to maintain the three federally funded waivers at the negotiated number of clients. Those negotiations were between the Division of Health Care Financing and Policy and the DAS. The recommendation was to retain 1,241 client slots for the Community Home-based Initiatives Program (CHIP) waiver, 326 client slots for the group care waiver and 45 client slots for the assisted-living waiver.

In accordance with the lower than original Legislatively approved caseload recommendations, the Governor recommended elimination of seven social worker positions. The reinstatement of those seven social workers was Priority 11 on the DHHS add-back list [Exhibit C](#). The total General Fund add back to this budget would be \$306,000 over the biennium.

E-606 Staffing and Operating Reductions – Page AGING-18

The addback in the Medicaid budget account 101-3243, to cover the waiver costs, would be approximately \$6.8 million over the upcoming biennium.

HEALTH CARE FINANCING AND POLICY

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

That \$6.8 million would fund an additional 394 client slots. Social workers maintain a caseload of 50 clients. Seven social workers at 50 cases each would equal 350 client slots. The Division stated social work supervisors would also carry cases to reach the 394 client slot level.

There are five options for the Subcommittee to consider:

- Approve the budget as recommended by the Governor;
- Approve the DHHS' add back of 7 social workers costing \$306,000 in General Fund and \$6.8 million for the Medicaid budget;
- Approve the add back of 7 social workers, but limit the caseload client slots budgeted in Medicaid to 350 allowing a small reduction in the add back costs to the Medicaid budget;
- Add back caseload client slots in the Waiver for the Elderly in Adult Residential Care (WEARC), the area of primary demand, and accept the Governor's recommendations for the CHIP and Assisted Living waivers.

The current waiting list for the three federally funded waivers is 232 client slots so the final option would be:

- Add back 232 client slots to clear the CHIP and WEARC waiting lists at an approximate cost to the General Fund of \$225,000 over the upcoming biennium in B/A 101-3146 and an approximate add back in the Medicaid budget of \$3.4 million to \$3.6 million over the biennium.

CHAIR LESLIE:

How many client slots is the Agency under the number that were legislatively approved?

MS. FREED:

The 394 client slots proposed for add back will put the DAS back to the legislatively approved number for FY 2007-2008 of 2,006 client slots. Currently, there are 1,612 federal client slots.

CHAIR LESLIE:

Much testimony was given about the need for these client slots. The DHHS seems to think it can hire the social workers. That has been a problem in the past. With the economy, more individuals are available.



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Are there any preliminary thoughts about the options? Is it the DAS proposal to add back the 7 social workers and the 394 client slots, bringing the DAS to the legislatively approved number of client slots?

CAROL SALA (Administrator, Division for Aging Services, Department of Health and Human Services):

That is correct. That is the proposal made by the Agency in [Exhibit C](#), realizing it had a significant funding requirement, particularly in the Medicaid budget. It would put us back to the base year allotments. Part of the reason is the additional staff would address the current wait list and give room for additional growth as the wait list continues to grow.

CHAIR LESLIE:

What is the DAS position concerning Option 5 which would add back the 232 client slots to clear the waiting list?

Ms. SALA:

At this point, anything that can be done will be helpful. If the 232 client slots are approved, we would need to work with your staff concerning social worker caseloads.

ASSEMBLYWOMAN BUCKLEY:

Where are we with the assisted-living client slots for both Silver Sky Assisted Living Residence and Deer Springs?

Ms. SALA:

The DAS is currently budgeted for 45 client slots in the negotiated reduced figure for FY 2008-2009. The Assisted Living Program is held flat under the Governor's recommendations at 45 client slots. We are currently at 39 client slots for that waiver with no clients on the waiting list.

The 2007 Legislature had approved 79 client slots by the end of this biennium. That included the 54 client slots for the Silver Sky Assisted Living Residence and new client slots in anticipation of the opening of the Deer Springs facility.

I received information in the past two weeks that the Deer Springs facility would not be open before at least September of 2011. Those slots built for Deer Springs will not be needed until the 2011-2013 biennium.

ASSEMBLYWOMAN BUCKLEY:

I will work with staff regarding whether additional client slots are needed in the final quarter of the second year of the 2009-2011 biennium. The State received free land from the U.S. Bureau Land Management to provide more nonprofit assisted-living space. One of the reasons Deer Springs did not move forward was due to the waiver reductions and the fear of what is happening in the economy. There are a number of seniors who would like to move into the Deer Springs facility.

Returning to the other recommended options; while we may not have the revenue to add as much as we would like, I would at least like to see us reach the level of service in place prior to the 2007 Legislative Session. These clients are our elderly, who can no longer live at home because of their frailty. There

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are families in crisis, not knowing what to do. These are the most gut-wrenching decisions of all times.

CHAIR LESLIE:

The waiting list for this program has never been high. The 232 client slots we are discussing are in the DAS budget. The Medicaid add-back request is the larger budget item. The need is between \$3.4 million and \$3.6 million.

I believe Assemblywoman Buckley's suggestion would be Option 2. That would include a \$6.8 million General Fund add back to the Medicaid budget.

ASSEMBLYWOMAN BUCKLEY:

We might not have known the number on the wait list if the project had not been shut down. Perhaps it is a balance of the two options, to achieve some cost savings and yet address some of the clients who have been on the wait list such a long time.

CHAIR LESLIE:

I agree. Will the DAS please work with our staff concerning the options offered by Assemblywoman Buckley for this budget item? The Medicaid work session is scheduled for next week.

MS. SALA:

Yes, we will.

MS. FREED:

The next item is in the Aging Federal Programs and Administration budget, B/A 101-3151.

HHS - Aging Federal Programs and Administration – Budget Page AGING-24  
(Volume II)  
Budget Account 101-3151

The Governor recommended the addition of General Fund appropriations and a reduction of the federal Title III-B program expenditures to offset the loss of the Medicaid reimbursements from Nevada Medicaid for 17 positions in the Elder Rights Ombudsman Program. That is approximately \$104,000 in the General Fund in each year to offset the federal Title XIX funds. The CMS had advised Medicaid, who advised the DAS, that they would not reimburse Elder Rights Ombudsman services for Medicaid clients.

Furthermore, five positions were added in this program by the 2003 Legislature to be funded by Title XIX funds.

With rearranged funding for the 17 positions in decision unit E-326, the 5 positions approved in 2003 would be supported almost entirely by the General Fund and the other 12 would be supported 50 percent by the General Fund and 50 percent by federal grants.

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

There are three options for the Subcommittee to consider:

- Approve the Governor's recommendations to fund the 17 ombudsman positions with a combination of the General Fund, federal Title III-B and a portion of federal Title VII funding with approximately \$104,000 in each fiscal year derived from the General Fund;
- Fund 12 of the 17 positions with the funding reallocation excluding the 5 positions approved by the 2003 Legislature to be funded only by Title XIX funds saving approximately \$200,000 in the General Fund in each fiscal year; or
- Disapprove the use of the General Fund as a substitute for Title XIX funds for any of the positions for a savings of approximately \$220,000 in each fiscal year.

CHAIR LESLIE:

Is the additional \$104,000 in each fiscal year already in the *Executive Budget* under Option 1?

MS. FREED:

That is correct. It is not an add-back amount.

CHAIR LESLIE:

What are the thoughts of the Subcommittee members?

SENATOR RAGGIO:

If Option 2 is chosen, rather than Option 1, what is the number of elder rights advocates that still exist? Those are important positions.

MS. FREED:

If the Subcommittee chose to eliminate those five positions previously funded with Title XIX funds, there would be seven elder rights advocates, two compliance investigators and two social work supervisors remaining in the Elder Rights Ombudsman Program.

SENATOR RAGGIO:

What was the number of elder rights advocates?

MS. FREED:

Seven elder rights advocates would remain.

SENATOR RAGGIO:

Are there two elder rights advocates eliminated in Option 2?

MS. FREED:

That is correct. Two elder rights advocates would be eliminated in Option 2.

SENATOR RAGGIO:

How many elder rights advocates would remain?

MS. FREED:

Seven elder rights advocates would remain.

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CHAIR LESLIE:

The elder rights advocates are important positions. Could administrative assistant positions be eliminated in lieu of elder rights advocates?

Ms. SALA:

It is critical for this program to contain all the positions requested. There are growing demands for residential care, the number of group homes and the number of nursing home beds for which these elder rights advocates have oversight. The level of complexity and complaints concerning unlicensed homes, for which we receive phone calls all add to the need for these positions.

CHAIR LESLIE:

Is this a change in the funding source?

Ms. SALA:

That is correct. The request is to replace Title XIX funding from the CMS.

CHAIR LESLIE:

Are any new positions requested?

Ms. SALA:

There are no new positions requested.

CHAIR LESLIE:

I am inclined to approve Option 1, accepting the Governor's recommendations, recognizing the funding has been placed in the *Executive Budget*.

ASSEMBLYMAN ARBERRY:

I concur with the Chair. If a problem occurs in one of the of the group homes, the first question asked will be why the Legislature underfunded the program, similar to other issues that have occurred in southern Nevada.

ASSEMBLYWOMAN GANSERT:

Is there a standard ratio of administrative assistants to elder advocates? Is there a reason there are three administrative assistants and only two elder advocates?

Ms. SALA:

There is one administrative assistant in Reno and one administrative assistant in Las Vegas. The administrative assistants receive intake telephone calls. They also share certain duties of the elder protective service social workers for telephone calls received. The positions were requested in 2003 because previously, the elder protective service social workers and the elder rights advocates would rotate the duties of intake telephone calls.

ASSEMBLYWOMAN GANSERT:

Staff has indicated there are an additional three administrative assistant positions. Please explain.

CHAIR LESLIE:

No additional positions are requested. The funding source is changed. Our information indicates there are three administrative assistants.

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Ms. SALA:

I do not recall what the other position is at this time.

CHAIR LESLIE:

We will now move to the Division of Welfare and Supportive Services (DWSS),  
Administration B/A 202-3228.

## WELFARE

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

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

The first issue is that of the Technology Investment Request (TIR) in the  
administration account. The Subcommittee will recall this is a \$10 million  
project in which the General Funds are included in decision unit E-589.

E-589 Technology Invest: Maximize Internet & Technology – Page WELFARE-9

The Welfare Administration Budget includes \$2.3 million in federal funds  
transferred to the Department of Administration to implement the project during  
the 2009-2011 biennium. The TIR included enhancements providing for  
Web-based applications to allow individuals seeking public assistance to apply  
for benefits through the Internet. The Family Resource Centers were most often  
mentioned as the entity that would be visited by individuals seeking assistance.

The second part of the enhancement included document imaging which was a  
measure to improve productivity and document handling in field offices  
throughout the State.

The third item was the service-oriented architecture which the Division refers to  
as a common-retrieval overlay. This allows key entry of information related to  
eligibility for various public assistance categories. It allows entries into the  
system one time rather than in multiple programs.

The last item provides consistent security levels by geographic area allowing the  
Division to balance workloads between offices and among staff within offices.

Staff notes the Division projects a savings of approximately \$13 million to  
\$16 million beginning in 2012 with the implementation of this TIR. It would be a  
result of worker productivity gains of between 20 and 40 percent. At the same  
time, the Governor recommends a number of new positions in the Field Services  
budget to address caseload increases in the next biennium. Staff will specify  
those requests when we discuss the Field Services budget.

The primary decision before the Subcommittee in B/A 101-3228 is whether it  
supports the TIR in this portion of the budget. As mentioned, the request  
includes \$2.3 million in federal funds to be transferred to the Information  
Technology Projects account. The Joint Subcommittee on General Government  
and Accountability heard this project today in the Information Technology (IT)  
Budget Work Session.

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CHAIR LESLIE:

Is the Subcommittee to consider the transfer of funds?

MR. KRMPOTIC:

The Subcommittee will need to act on the transfer of the funds to the IT Projects account representing the Supplemental Nutrition Assistance Program (SNAP) and Medicaid funding.

CHAIR LESLIE:

Does it depend on what the other Subcommittee decision is and what level of funding they approve as well?

MR. KRMPOTIC:

If the Joint Subcommittee on General Government and Accountability does not approve the General Fund appropriation including the IT Projects account, there would no longer be a need to transfer the federal funds to the that account from the DWSS Administration Budget.

CHAIR LESLIE:

The discussion item is whether any Subcommittee members have a problem with the TIR that should come forward at this time. Hearing none, we will continue.

MR. KRMPOTIC:

The next item in this budget concerns nine technology support positions included in the budget to support the TIR. If the TIR is not approved, there would be no need to add the requested positions.

Staff notes it appears the recommendation for nine positions originates with a recommendation made by the IBM. The DWSS consulted with the IBM in preparing their budget requests for both the TIR and the additional positions.

Staff will examine the functions of the proposed positions more closely relative to funding included in the *Executive Budget* for the TIR. Those items include the implementation costs of approximately \$3.3 million and system testing at a cost of \$300,000. Therefore, the decision before the Subcommittee is whether to add the nine positions. In all likelihood, the Subcommittee may see alternative recommendations for cost savings from either requested positions or TIR implementation costs.

ASSEMBLYWOMAN SMITH:

I have concern when outside consultants recommend staffing levels. When staff makes their review of that issue, also consider the possibility of whether all positions must be hired in the first year of the biennium, or perhaps some positions could be hired in the first year and others hired in the second year of the biennium.

CHAIR LESLIE:

I concur. The Legislature must perform its own due diligence.

MR. KRMPOTIC:

The next item for consideration concerns the funding included in B/A 101-3228 for caseload increases related to the Electronic Benefit Transfer (EBT) expenses. The General Fund portion of this request is approximately \$434,000 in the FY 2009-2010 and \$564,000 in FY 2010-2011.

Staff would note the DWSS anticipates it will receive funding of \$434,661 in each year of the biennium under the ARRA provisions related to administration of the SNAP. This could be used to offset General Fund appropriations included in the *Executive Budget* for the purpose of funding anticipated costs related to the EBT expenses in the next biennium.

CHAIR LESLIE:

Hearing no objections, we will move to the next item in this budget.

MR. KRMPOTIC:

The last item in this budget concerns recommended reductions including General Funds of approximately \$130,000 in each year of the biennium. It relates to anticipated reductions in Department of Information Technology (DoIT) utilization costs the DWSS had built into the budget which was carried forward in the *Executive Budget* related to the 115 positions eliminated in the Field Services Account.

The Subcommittee should note, that in addition to the position eliminations, there is a recommendation for 491 new positions which eliminates the DoIT utilization expenses reduction. Therefore, the Subcommittee may need to consider adding back funds for DoIT utilization depending on its decisions related to funding of new positions in the Field Services and Administration accounts.

CHAIR LESLIE:

A decision cannot be made by the Subcommittee on this item until it is known what will occur in the Field Services account. I want to ensure the Subcommittee does not underfund the DoIT utilization requirements. We will need to wait until other budget decisions are made.

ASSEMBLYWOMAN BUCKLEY:

If the new positions are approved, it appears an add back would be required to this budget. Perhaps staff could calculate the need based on the final position decisions so it is added back to the fund appropriately.

CHAIR LESLIE:

Seeing no further comments or any objections, we will move to the TANF account, B/A 101-3230.

Welfare - TANF – Budget Page WELFARE-17 (Volume II)  
Budget Account 101-3230

MR. KRMPOTIC:

There are General Fund appropriations of \$4.4 million in FY 2009-2010 and \$7.5 million in FY 2010-2011 beyond the Maintenance of Effort required to receive the TANF block grant funding. That is based on the depletion of the

TANF reserve over the biennium as a result of projected caseload increases in this year and through the next biennium.

This is another budget account that will likely see federal ARRA funding. Staff estimates, with concurrence from the DWSS that approximately \$18 million over the three fiscal years, beginning in FY 2008-2009, is anticipated to be received based on projected the TANF caseload increases. Staff and the Agency have calculated the funding based on the rules stated in the ARRA with respect to the TANF emergency contingency funds. On the surface, it would appear the Subcommittee could reduce General Funds in each year of the biennium as recommended, in lieu of the TANF funds to replace it with the emergency contingency funds.

Staff notes there are other decisions included in this budget and other budgets of the DWSS that will affect the levels of the TANF funding. Therefore, staff is unable to indicate the TANF reserve level at the end of the biennium. Those remaining decisions include the funding for new positions in the Field Services account; the TANF transfers to Clark and Washoe Counties, currently reduced in the *Executive Budget* in each year; and revisions to the DWSS's cost allocation. Traditionally, staff incorporates the most recent cost-allocation estimates from the Division into the Administration and Field Services budgets based on the calculations provided through March 31. It would suggest there would be increases in the TANF funding each year of the biennium related to the efforts of the DWSS for the TANF cases. Therefore, during budget closure hearings, staff will report on additions and deletions with respect to the TANF funding and the ending reserve balance.

CHAIR LESLIE:

This is the portion of the budget for which there are concerns with respect to transfers to Clark and Washoe Counties.

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

I have provided the Subcommittee with a document concerning the impact of the TANF funding reductions on Clark County ([Exhibit E](#)).

The TANF and the former Title IV-A funds have been available and a part of the child welfare services in Clark County since 1994 at a consistent level. That level of funding was \$2.7 million. It was increased to the current level of \$3.02 million annually in 1997.

Seventy-five percent of those funds were rescinded by the DWSS in FY 2003-2004 and restored in the fall of 2006, as a part of the Safe Futures program. One change is that, prior to 2006, those funds were used as an offset to the county general fund. In early 2000 the county established a revenue fund account. The new positions are located in the revenue fund account. The funds support, with a county general fund transfer, 66 positions.

The impact of the \$2.25 million loss equates to approximately 32 positions. Those are principally investigative positions. The return on investment for the State has been tremendous. We have eliminated a backlog of more than 1,000 overdue investigations as a result of adequate staffing. The response



time to reports has improved from the 30- to 50-percent range to performance in the 93- to 94-percent range.

There has been a reduction in the law enforcement removals unassisted by the Child Protective Services by 50 percent in the last two weeks. Despite a large surge of children being removed, there are 30 or fewer children in Child Haven.

We have reached a point where the county is ready for the next stage, family preservation and prevention of children coming into care. In 2006, 62 percent of all children who were victims of child maltreatment in Clark County experienced a home removal. That is three times the national rate. In 2007, the percentage was 52 percent, still 2.5 times the national rate.

In Nevada, specifically Clark County, 16.7 percent of children removed from their homes are returned home within seven days or less. Maintenance of these efforts sustains an opportunity to prevent large increases in the State portion of the foster care load. If caseloads revert to the higher levels of two years ago, we will see a higher rate of children entering and remaining in foster care because the only way we can offset these losses is to divert efforts from family preservation and our commitments to the Youth Law Center.

CHAIR LESLIE:

Thank you for your written presentation.

KEVIN SCHILLER (Director, Washoe County Department of Social Services):

The TANF funds are used to fund front-end services. Those front-end services include the emergency response unit, case management positions and investigations. The emergency response unit is focused on assistance to law enforcement to engage families and prevent removal, family solutions team meetings and the differential response as explained in the budget hearing.

The budget request for integration does not include an increase related to foster care placements. That is due in part to the focus on front-end services of engagement with families to prevent foster care.

If the TANF funding is reduced, "Money saved here is going to be more money spent on the back end, related to the foster care side." Many of the initiatives the counties have provided require continuation of the TANF funding for front-end engagement and services. These initiatives are the wave of the future in prevention for removal of children from their homes and efforts to return them to their homes sooner.

The provision of the TANF funds is important to child welfare and how we move forward as a State. The front-end intervention, tied to relatives and support systems, will be critical.

ASSEMBLYWOMAN BUCKLEY:

This is another budget reduction that must be restored. We cannot dismantle these programs. It will cost the State more in the end result. If alternate placement is not found for children away from the foster care system, much more funding will be necessary in the foster care budget. With the budget

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shortfalls and the increased caseloads, I recommend this is where the ARRA funds should be placed.

CHAIR LESLIE:

I agree. I dislike raiding the county child welfare budgets just to protect the State budget shortfall. This item will be placed on the add back list. That is not a promise at this point in the budget process.

Seeing no further business before the Subcommittee, this meeting is adjourned at 10:50 a.m.

RESPECTFULLY SUBMITTED:

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Cynthia Clampitt,  
Committee Secretary

APPROVED BY:

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Senator Bob Coffin, Chair

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

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Assemblywoman Sheila Leslie, Chair

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