

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

**Seventy-Seventh Session
May 3, 2013**

The joint meeting of the Assembly Committee on Ways and Means' Subcommittee on Human Services and the Senate Committee on Finance's Subcommittee on Human Services was called to order by Chair Maggie Carlton at 8:28 a.m. on Friday, May 3, 2013, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at nelis.leg.state.nv.us/77th2013. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Assemblywoman Maggie Carlton, Chair
Assemblyman Michael Sprinkle, Vice Chair
Assemblyman David P. Bobzien
Assemblyman John Hambrick
Assemblyman Pat Hickey
Assemblyman William C. Horne
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Randy Kirner

SENATE COMMITTEE MEMBERS PRESENT:

Senator Debbie Smith, Chair
Senator Ben Kieckhefer
Senator David R. Parks



STAFF MEMBERS PRESENT:

Michael J. Chapman, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Catherine Crocket, Program Analyst
Laura Freed, Senior Program Analyst
Mark Winebarger, Program Analyst
Sherie Silva, Committee Secretary
Janice Wright, Committee Assistant

Chair Carlton asked the secretary to call the roll; all members were present.

Chair Carlton welcomed members of the Subcommittees and guests in the audience in Carson City and Las Vegas. She said the meeting was for the purpose of closing budgets, and deliberations would basically be among the Subcommittees' members. If the members had questions, they would request testimony from the agencies; public testimony would be limited.

HUMAN SERVICES

AGING AND DISABILITY SERVICES

TOBACCO SETTLEMENT PROGRAM (262-3140)

BUDGET PAGE DHHS-ADSD-20

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said there were no major issues in the Tobacco Settlement Program, budget account (BA) 3140. She reviewed other closing items in the account:

1. Budgeted Amount for Independent Living Grants. Ms. Crocket explained The Executive Budget included a base budget adjustment increasing Independent Living Grant (ILG) funding to \$10,365,370 over the 2013-2015 biennium, which was a 12 percent increase over the \$9.2 million budgeted for the 2011-2013 biennium. Ms. Crocket noted that any change in the amount of tobacco settlement funding available for the ILG program should be considered a program enhancement.

Ms. Crocket asked whether the Subcommittees wished to approve the Governor's recommendation to allocate approximately \$5.2 million from the Fund for a Healthy Nevada to the Tobacco Settlement Program (budget account 3140) in each year of the 2013-2015 biennium.

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Chair Carlton asked for questions from the Subcommittees. Hearing none, she called for a motion.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ALLOCATE \$5.2 MILLION FROM THE FUND FOR A HEALTHY NEVADA TO THE TOBACCO SETTLEMENT PROGRAM IN EACH YEAR OF THE 2013-2015 BIENNIUM.

SENATOR PARKS SECONDED THE MOTION.

Chair Carlton asked for testimony in support of or in opposition to the motion; there was none.

THE MOTION CARRIED. (Assemblyman Horne was not present for the vote.)

2. Cost Allocation. The Governor recommended decreasing transfers from the Fund for a Healthy Nevada by \$337,885 in the 2013-2015 biennium to support changes associated with the Division of Aging and Disability Services' cost-allocation plan. Ms. Crocket stated the recommendation appeared reasonable, and she asked whether the Subcommittees wished to approve the Governor's recommendation and authorize the Fiscal Analysis Division staff to make technical adjustments related to cost allocations.

Chair Carlton asked for questions from the Subcommittees; hearing none, she called for a motion.

SENATOR PARKS MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO DECREASE TRANSFERS FROM THE FUND FOR A HEALTHY NEVADA BY \$337,885 IN THE 2013-2015 BIENNIUM AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Horne was not present for the vote.)

BUDGET CLOSED

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**HUMAN SERVICES
AGING AND DISABILITY SERVICES
FEDERAL PROGRAMS AND ADMINISTRATION (101-3151)
BUDGET PAGE DHHS-ADSD-22**

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that there were three major closing issues in the Federal Programs and Administration budget account (BA) 3151.

1. Consolidation of Disability Services within the Aging and Disability Services Division. Ms. Crocket explained that the Governor recommended departmentwide consolidation of disability services within the Aging and Disability Services Division (ADSD). To accomplish the consolidation, Developmental Services would transfer from the Division of Mental Health and Developmental Services (MHDS), and Nevada Early Intervention Services (NEIS) would transfer from the Health Division to ADSD.

Ms. Crocket said the ADSD had indicated that consolidating disability services within one division would create a continuum of disability services to serve persons across all stages of life within one state agency, which would create service delivery efficiencies. Assembly Bill 488, which was currently in the Ways and Means Committee, would make the necessary statutory changes to effect the consolidation. Ms. Crocket noted that on April 23, 2013, the Subcommittees approved the Governor's recommendation to transfer Developmental Services from MHDS into the Aging and Disability Services Division.

Ms. Crocket explained that funding totaling \$4,743,651 and 30.51 full-time-equivalent (FTE) positions to perform administrative, fiscal, and information technology functions would be transferred to the Federal Programs and Administration account from various other MHDS and Health Division accounts. In addition, five budget accounts containing service delivery components of the disability services programs would be transferred to the

Aging and Disability Services Division in their entirety, including Early Intervention Services, the Family Preservation Program, and the Rural Regional Center, Desert Regional Center, and Sierra Regional Center. The total effect of the consolidation would be to increase ADSD's funding level from \$117.8 million over the biennium to \$497.3 million, which was a 322 percent increase.

Ms. Crocket said that ADSD had indicated the success of the proposed consolidation would initially be measured by compliance with its proposed project timeline. In addition, ADSD was planning to develop a strategic plan for all of the transferred agencies and develop specific performance measures to track and measure the effects of the consolidation.

Ms. Crocket said there were a number of additional costs associated with the ADSD consolidation, which totaled \$427,082 over the biennium. In addition, she said the Subcommittees should note that \$9,920 was recommended in MHDS to reclassify a position related to the consolidation. She reviewed the decision units containing the increased costs:

- Decision Unit Enhancement (E) 510. The Governor's recommended budget included \$358,142 to support moving costs, office equipment, rent costs, travel costs, and additional computer equipment. The additional computer equipment would be used to develop a data warehouse system for reporting purposes.
- Decision Unit E-805. Recommendation of \$5,253 to reclassify a budget analyst 2 position to an administrative services officer 1 because of expansion of duties related to the position.
- Decision Unit E-806. Recommendation of \$63,687 to increase the salaries of three unclassified positions, including the administrator and two deputy administrators. Ms. Crocket said the recommendation to increase the pay of unclassified positions would be considered during the unclassified pay review process. Fiscal staff requested authority to make technical adjustments to reflect the decisions of the money committees.

Ms. Crocket said the ADSD calculated that the consolidation would generate a net General Fund savings of \$196,501 over the 2013-2015 biennium. However, the agency was currently unable to estimate what the General Fund effect of the consolidation would be in the future.

Ms. Crocket recalled that the Subcommittees had discussed whether advocacy groups and the various commissions that ADSD, Developmental Services, and Early Intervention Services worked with had provided input on the proposed consolidation and whether the consolidation was supported by the groups. The ADSD indicated that it had presented information to several of the commissions, including the Nevada Commission on Aging, the Commission on Mental Health and Developmental Services, the Nevada Commission on Persons with Disabilities, and the Governor's Commission on Autism Spectrum Disorder, and the Interagency Coordinating Council.

Ms. Crocket asked whether the Subcommittees wished to approve the Governor's recommendation to consolidate Developmental Services and Early Intervention Services within the Aging and Disability Services Division.

Chair Carlton recalled there had been extensive discussion concerning the consolidation, and it was a difficult decision. She said she was more than uncomfortable with the proposal, and she felt she had been painted into a corner. Serious discussion should take place in the time remaining in the legislative session, because the inclusion of Early Intervention Services in the consolidation caused her more concern. Chair Carlton said she understood the position the Subcommittees were currently in, but she was extremely disturbed with the way the consolidation had been handled.

Senator Smith said she agreed with Chair Carlton's sentiments. She had previously said she was not comfortable with the idea of the consolidation, and she was bothered by the process. She had been hearing from state employees for months that the consolidation was a "done deal" and that the employees had already signed statements saying that they understood the consolidation was taking place. Senator Smith said the consolidation process was completed before the Legislature had a chance to consider it.

Senator Smith said she also felt she had been painted into a corner. Besides the decision of whether the consolidation was the right thing to do, the process bothered her the most. She always tried to defer to the opinions of the

professionals, but she had not appreciated the process and that the consolidation was presumed to have been done before it was actually done.

Senator Smith said she understood the need to plan, and she understood it could sometimes be difficult for agencies because the Legislature was only in session for a short time every other year. She said the problem needed to be addressed in the future: planning was one thing and implementing was another. Her concern was if the Legislature did not approve the consolidation, a domino effect would be created that would take attention away from serving clients; she did not want to detract from providing needed services.

Senator Smith said she wanted to be clear that she had not liked the process, and she hoped a similar situation would not occur again. For the first time since she began serving in the Legislature, she felt she did not have any choice but to approve the consolidation.

Senator Kieckhefer said he was sensitive to Chair Carlton and Senator Smith's comments. He was less concerned because he believed the consolidation was a good move, and he felt comfortable with it. He thought ASD was a more natural home for Nevada Early Intervention Services, and he would support the consolidation for that reason. He said the process had been difficult for the members of the Legislature, but he felt it was the right policy and he would support the proposal.

Assemblyman Sprinkle said he had the same level of discomfort that Chair Carlton had expressed. The consolidation had not felt right to him since the first discussions, but he understood the position of the Subcommittees and the necessity to move forward. He requested that the consolidation be monitored closely during the interim.

Assemblywoman Kirkpatrick said she sometimes felt the Legislature did not have complete authority because it only met every other year for 120 days. She acknowledged that Mike Willden [Director, Department of Health and Human Services] had done an excellent job, but she was often concerned with procedurally getting things done. She recalled serving as an alternate on the Interim Finance Committee when an agency asked for an additional position; the Committee had not approved it, but the agency was able to get the position anyway without legislative approval.

Assemblywoman Kirkpatrick said there was a timeline and a process laid out for the proposed consolidation, but she felt communication had been one-sided, which she did not believe was good for the state in the long term. She said typically consolidation eventually would cost more, but she supported consolidation when it was done in a slow and incremental manner.

Assemblywoman Kirkpatrick said it was unfair to this Legislature and future Legislatures to not be taken seriously about being a part of the process. She had consistently voiced her opinion to all agencies. She pointed out that the legislators received phone calls from employees and clients who did not receive services and vendors who could not find direction from the state. It was an everyday problem, and it was no longer a part-time Legislature.

Assemblywoman Kirkpatrick said that once again, the Legislature was painted into a box. She said that, as a body, the Legislature needed to consider ways to play a stronger role in what agencies were doing during the interim. She did not understand why some people believed that including the Legislature as part of the process was irrelevant. This was one more frustrating instance of the Legislature being brought in at the end.

Assemblywoman Kirkpatrick said she would support the consolidation, but this would be the last time she would be painted into a box. There had been similar concerns expressed in December about how regulations came before the Legislative Commission, and the Legislature needed to make a statement: it was a part of the process and its decisions must be accepted. She noted that there were several consolidations being proposed during the current session, and the Legislature was still trying to clean up problems from consolidations from the 2011 Legislature.

Chair Carlton asked for additional comments from the Subcommittees; there were none.

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATION TO CONSOLIDATE DEVELOPMENTAL
SERVICES AND EARLY INTERVENTION SERVICES WITHIN THE
AGING AND DISABILITY SERVICES DIVISION.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblywoman Kirkpatrick voted no.
Assemblyman Horne was not present for the vote.)

2. Change Long-Term Care Ombudsman Program Funding Source.

Ms. Crocket explained the second major issue in the Aging and Disability Services Division (ADSD) budget was a change in the funding source for the Long-Term Care Ombudsman program. The Governor recommended additional General Funds of \$489,877 over the 2013-2015 biennium to replace Civil Monetary Penalty (CMP) funding to support the state Long-Term Care Ombudsman program, which provided information and advocacy services to seniors in long-term care facilities.

Ms. Crocket explained the federal Centers for Medicare and Medicaid Services had recently directed that CMP funds could no longer be used to support the ongoing costs of operating long-term care ombudsman programs. The ADSD had considered various federal funding sources and determined that none were available to further support the program.

Ms. Crocket asked whether the Subcommittees wished to approve the Governor's recommendation to provide \$489,877 in General Funds over the 2013-2015 biennium to replace Civil Monetary Penalty funding to support the Long-Term Care Ombudsman program.

Chair Carlton asked for questions from the Subcommittees and hearing none, she called for a motion.

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATION TO PROVIDE \$489,877 IN GENERAL FUNDS
TO SUPPORT THE LONG-TERM CARE OMBUDSMAN PROGRAM.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Horne was not present
for the vote.)

3. New Statewide Volunteer Manager Position. Ms. Crocket explained the last major item in the Federal Programs and Administration account was the addition of a new statewide volunteer manager position. The Governor recommended \$33,968 in General Funds over the 2013-2015 biennium to add a new program officer 2 for the statewide coordination of volunteers who

provided services for Aging and Disability Services Division programs, including the State Health Insurance Assistance program, Senior Medicare Patrol, Medicare Improvements for Patients and Providers Act, and the Volunteer Long-Term Care Ombudsman program.

Ms. Crocket said that additionally, federal grant funding totaling \$87,902 over the biennium would be redirected from program categories to support the position, bringing the total costs of the new position to \$121,870 over the biennium. She said that ADSD had indicated that redirecting federal funds from program areas to support the position would have a minimal effect on the services provided.

Ms. Crocket further noted that ADSD had indicated it had 124 volunteers, and the new position would streamline volunteer recruitment and outreach efforts, reduce duplicative efforts among different program areas, and ensure that all volunteers received an appropriate level of training.

Ms. Crocket asked whether the Subcommittees wished to approve the Governor's recommendation for \$33,968 in additional General Funds to add a program officer position to manage ADSD's volunteer programs.

Chair Carlton asked for questions from the Subcommittees and hearing none, she called for a motion.

ASSEMBLYMAN BOBZIEN MOVED TO APPROVE THE
GOVERNOR'S RECOMMENDATION FOR \$33,968 IN GENERAL
FUNDS TO ADD A PROGRAM OFFICER POSITION TO MANAGE
ADSD'S VOLUNTEER PROGRAMS.

SENATOR SMITH SECONDED THE MOTION.

Senator Smith recalled that during the 2011 Legislative Session when positions were being eliminated, it was said volunteers could do many of the jobs. However, volunteers took coordination and management, and she was happy to support the request.

THE MOTION CARRIED UNANIMOUSLY.

Chair Carlton asked members of the Subcommittees to review the other closing items in the ADSD Federal Programs and Administration account recommended by the Governor, all of which appeared reasonable to Fiscal Analysis Division staff.

1. Increase Network Capacity. Decision unit Enhancement (E) 228 included additional General Funds of \$53,182 over the biennium to install a data network in the Division's Carson City office and support monthly ongoing network access costs. Decision unit E-229 recommended additional General Funds of \$20,400 over the biennium to install a data network in the Division's Reno office and support monthly ongoing network access costs.
2. Replacement Equipment. Decision unit E-710 recommended \$101,512 in General Funds over the biennium to replace computer equipment and two portable cooling units.
3. Replacement Telephone Equipment. Decision unit E-711 recommended \$47,557 in General Funds over the biennium to replace the existing telephone system in the Reno office.
4. Reclassify Management Analyst Position. Decision unit E-807 recommended additional General Funds totaling \$9,651 over the biennium to reclassify one management analyst 2 position to a management analyst 3 because the position's duties had been expanded.
5. Position Transfers. Decision units E-900 and E-901 recommended transfer of three positions to Home and Community Based Services to better align the duties of the positions with the budget account functions.

SENATOR SMITH MOVED TO APPROVE ALL OTHER CLOSING ITEMS 1 THROUGH 5 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS, INCLUDING THE STATEWIDE ANTIVIRUS SOFTWARE PROPOSAL AND FINAL INTERNAL COST ALLOCATIONS AND TRANSFERS.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

Assemblyman Kirner noted that many state agencies had replacement of telephone equipment and systems in their budgets, and he hoped the requests were being coordinated to provide economies of scale.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HUMAN SERVICES
AGING AND DISABILITY SERVICES
SENIOR RX AND DISABILITY RX (262-3156)
BUDGET PAGE DHHS-ADSD-42

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated there were three major closing issues in the Senior Rx and Disability Rx budget account (BA) 3156.

1. Dental Benefit Program. Ms. Crocket said the Governor recommended additional Fund for a Healthy Nevada funding totaling approximately \$2.5 million over the 2013-2015 biennium to fund dental benefits for Senior Rx and Disability Rx program members. According to the Aging and Disability Services Division (ADSD), the costs of providing prescription drug benefits had decreased because of the Affordable Care Act, which allowed funding to be redirected to support additional benefits for seniors and persons with disabilities.

Ms. Crocket explained that *Nevada Revised Statutes* (NRS) allowed the Senior Rx and Disability Rx programs to direct, to the extent money was available, funding to other benefits, including dental and vision benefits and hearing aids. She said ADSD had indicated that dental benefits would be available to Senior Rx and Disability Rx members only, which meant that the dental benefit would not be offered as a separate program.

Ms. Crocket said that ADSD had indicated that it anticipated dental coverage for persons not eligible for Medicare, who traditionally made up the caseload for the program, would no longer be necessary beginning January 1, 2014. She said Fiscal Analysis Division staff had completed a technical adjustment to reduce funding by approximately \$50,000 in the Senior Rx and Disability Rx

categories to provide for six months of traditional coverage in fiscal year (FY) 2014. She noted the Division had agreed the technical adjustment was appropriate.

In December 2012, the Interim Finance Committee (IFC) approved establishment of a pilot dental program for the remainder of FY 2013 to provide coverage for 830 persons, using a portion of projected surplus resulting from the Affordable Care Act. Ms. Crocket said ADSD indicated that the dental benefit plan was modeled after the Public Employees' Benefits Program plan and offered a \$1,000 maximum benefit, with no copay for diagnostic and preventative services, a 20 percent copay for basic services, and a 50 percent copay for major services. She said Fiscal staff and the agency had calculated that the recommended funding level would support a caseload of 1,091 enrollees in FY 2014 and 1,114 enrollees in FY 2015.

Ms. Crocket reiterated that the dental benefit would be available to Senior Rx and Disability Rx members, and ADSD had indicated that eligibility would be the same, with the additional requirement that clients have no other dental insurance. The dental benefit would provide coverage on a first-come, first-served basis. She recalled the Subcommittees had asked ADSD to discuss the rationale of providing dental benefits to a subset of the Senior Rx and Disability Rx members rather than all members, because the recommended caseload would not cover all Senior Rx and Disability Rx clients. The agency indicated that the amount of funding available would only be sufficient to cover a subset.

The Subcommittees also discussed the rationale of offering the benefit on a first-come, first-served basis and noted that individuals with certain health conditions may benefit more from dental care than others. Ms. Crocket said ADSD had indicated it planned to partner with the Health Division to review usage information to refine eligibility criteria and access to the dental program over the upcoming biennium.

Ms. Crocket said as part of the enrollment process, ADSD sent dental information cards and an oral health survey to all Senior Rx and Disability Rx members, and the oral health survey revealed that 86 percent of the respondents were unable to seek dental care because of cost and lack of insurance.

As of April 19, 2013, the ADSD indicated that 800 dental benefit caseload slots had been filled, and a waitlist of 312 had been established. The agency asked dentists who provided care to dental benefit recipients to submit surveys to ADSD regarding the dental health of recipients, and the Division had received 143 surveys to date, which indicated that of the clients who had received treatment:

- 72 percent had untreated decay.
- 41 percent had a need for root scaling.
- 29 percent had loose teeth.
- 15 percent had remnants of broken teeth.
- 6 percent had evidence of infection or cancer requiring further testing or treatment.
- 15 percent had an urgent need for care within one week.
- 49 percent had a need for care within several weeks.

Ms. Crocket said the agency planned to eliminate the traditional coverage beginning in January 2014; however, some traditional members had been enrolled in the dental benefit program. She said that ADSD had told Fiscal staff that those clients would not be removed from the dental benefit caseload and would continue to be provided with dental benefit coverage, even though they would not continue to receive the traditional prescription assistance coverage.

Ms. Crocket said the Governor's recommended budget included \$200,000 to support a reserve with the account to provide for copay assistance to members with urgent dental needs. However, upon reviewing statutory provisions governing the Fund for a Healthy Nevada, it appeared it was not permissible to balance forward funding in the account, and ADSD agreed. The agency reviewed what it would take to establish copay assistance as an ongoing cost and determined that it would be reasonable to provide \$500 in annual copay assistance to 30 percent of the dental benefit caseload. The ongoing cost of copay assistance would be \$330,500 over the biennium, compared to the \$200,000 originally recommended by the Governor. Copay support would be provided to 327 to 334 recipients over the biennium; the \$200,000 recommended by the Governor would provide copay assistance to 200 recipients each year of the upcoming biennium.

Ms. Crocket recalled that the IFC established the dental benefit as a pilot program for FY 2013 at its December 2012 meeting. Given the timing of the establishment of the program, limited program evaluation information was available for the Subcommittees' review. The Subcommittees expressed an interest in receiving information on the program's utilization rates, eligibility criteria, the feasibility of targeting coverage to individuals with certain health conditions or limited financial means, and the effect of copay assistance. Given the amount of information available, Fiscal staff suggested, and ADSD agreed, that the dental benefit could be continued as a pilot program for the upcoming biennium. Accordingly, Ms. Crocket said the Subcommittees may wish to instruct the Division to remove the dental benefit from its 2015-2017 base budget and present the dental benefit program as a program enhancement to the 2015 Legislature.

Ms. Crocket said the Subcommittees might wish to consider the following options:

1. Approve the Governor's recommendation to establish a dental benefit for a subset of Senior Rx and Disability Rx members, with the noted technical adjustments for traditional coverage and elimination of reserve balances, and establish funding for copay assistance for 30 percent of dental benefit recipients, totaling \$330,500 over the 2013-2015 biennium.

Ms. Crocket pointed out that option 1 would require additional tobacco settlement funding of \$130,500 over the biennium. The Department of Health and Human Services projected an approximate \$4 million ending fund balance in FY 2014 and an approximate \$2 million ending balance in FY 2015 in the Fund for a Healthy Nevada.

2. Approve the Governor's recommendation to establish a dental benefit for a subset of Senior Rx and Disability Rx members, with the noted technical adjustments, and establish funding for copay assistance totaling \$200,000 over the 2013-2015 biennium. This option would not require additional tobacco settlement funding.
3. Not approve the Governor's recommendation.

Ms. Crocket added that if the Subcommittees wanted to approve funding to support dental benefits, it may wish to instruct ADSD to continue the program as a pilot for the 2013-2015 biennium and remove the program from the agency's 2015-2017 base budget.

Chair Carlton asked for questions or comments from the Subcommittees.

Senator Kieckhefer asked, if the pilot program was maintained for the upcoming year, whether there would be anything to prevent the Legislature from including language in the Authorizations Act to allow ADSD to maintain a reserve, knowing that it would not be rolled into base the following year, instead of having to appropriate additional funds.

Ms. Crocket said statutory provisions required that funds from the Fund for a Healthy Nevada must revert back to the Fund rather than be carried forward in individual budget accounts.

Assemblyman Hambrick remarked that if option 1 was selected and additional tobacco settlement funds were used, he was getting a sense that tobacco settlement funds were being used similarly to funds in the Highway Fund. He said at this point there were sufficient tobacco settlement funds, but continually falling back on those funds would eventually deplete the fund.

Chair Carlton said she had the same concerns. Tobacco funds were not always going to be available, and programs were being established that people would become accustomed to because they were good programs.

Assemblyman Kirner recalled that he was the only "no" vote in IFC for establishment of the dental benefit pilot program. His vote was based on the notion that the dental benefit was a new welfare program, and there were many other programs that were not sufficiently funding the need. In considering the program now, he wanted to emphasize that the program was a pilot program.

Senator Smith was glad the dental benefits could be provided; dental health affected the rest of a person's health. She had the same concerns about tobacco settlement funds, although dental assistance was an appropriate use of the funds. She was willing to approve the dental benefit as a pilot program, as originally intended, rather than put it in the base budget. She asked that the program be kept as a pilot program regardless of which option was approved.

After consultation with the Fiscal Analysis Division staff, Chair Carlton said the Subcommittees would not give direction concerning the pilot program. Instead, the ADSD would be directed to not include the dental program in its 2013-2015 base budget and to include it as an enhancement so that continuation of the program could be considered by the 2015 Legislature. The Subcommittees would request that the Fiscal Analysis Division prepare a letter of intent to that effect.

Chair Carlton asked whether there was further discussion on option 1 and hearing none, she called for a motion.

SENATOR SMITH MOVED TO APPROVE OPTION 1 WITH ADDITIONAL TOBACCO SETTLEMENT FUNDING IN THE AMOUNT OF \$130,500 OVER THE BIENNIUM AND TO ISSUE A LETTER OF INTENT DIRECTING THAT THE DENTAL BENEFIT PROGRAM NOT BE INCLUDED IN THE ADSD 2015-2017 BASE BUDGET SO THE PROGRAM WOULD BE REEVALUATED BY THE 2015 LEGISLATURE.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

Chair Carlton asked for questions or comments on the motion; there were none.

THE MOTION CARRIED UNANIMOUSLY.

2. Access to Contingency Account. Ms. Crocket explained The Executive Budget contained a base budget adjustment transferring the HIV/AIDS Prescription Assistance (HAX) program from the Senior Rx and Disability Rx account to the Health Division, Department of Health and Human Services. The program had been funded by a transfer from the Health Division and General Fund appropriations to support costs of the HIV/AIDS program to ensure that tobacco settlement funding was only used for statutorily approved purposes.

Ms. Crocket said with the transfer of the HAX program, it would be reasonable to remove all General Funds from the account. However, The Executive Budget recommended a \$100 appropriation to the account in each year of the biennium to allow access to the Interim Finance Committee (IFC) Contingency Account. The agency indicated that it might be necessary to obtain additional

funding to support prescription copay assistance, but the ending cash balances in the Fund for a Healthy Nevada were projected to be \$4.4 million in fiscal year (FY) 2014 and \$1.7 million in FY 2015. Ms. Crocket said the Fiscal Analysis Division staff did not recommend approval of General Funds in the account.

Ms. Crocket asked whether the Subcommittees wished to approve the Governor's recommendation to include General Fund appropriations of \$100 each year in the Senior Rx and Disability Rx account for the purpose of allowing access to the IFC Contingency Account.

SENATOR KIECKHEFER MOVED TO NOT APPROVE GENERAL FUND APPROPRIATIONS OF \$100 EACH YEAR IN THE SENIOR Rx AND DISABILITY Rx ACCOUNT.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

3. Reclassify Positions. Ms. Crocket explained the final major closing issue in the Senior Rx and Disability Rx account was the reclassification of positions. The Governor recommended additional Fund for a Healthy Nevada funds of \$50,734 in the 2013-2015 biennium to reclassify two administrative assistant positions to family services specialists. She noted that Fiscal Analysis Division staff had made a technical adjustment to correct an error in the decision unit, which reduced the cost to \$20,476 over the biennium.

Ms. Crocket said the Aging and Disability Services Division had said that in addition to determining eligibility for the Senior Rx and Disability Rx program, the ADSD staff provided information to seniors and persons with disabilities regarding other assistance programs such as Medicare and Medicaid. She said the Division maintained that the staff was required to have a broad range of program knowledge that necessitated the positions being family services specialists rather than administrative assistants. Ms. Crocket pointed out that the Governor had recommended additional administrative assistant 4 positions in the Welfare Field Services account to evaluate applications and determine eligibility for the Supplemental Nutrition Assistance Program.

Ms. Crocket noted that the reclassification of the positions would be contingent upon the determinations of the Division of Human Resource Management, Department of Administration. She asked whether the Subcommittees wished to approve the Governor's recommendation to reclassify two administrative assistants to family services specialists with technical adjustments made by Fiscal staff.

Chair Carlton asked for questions or comments; there were none.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO RECLASSIFY TWO ADMINISTRATIVE ASSISTANT POSITIONS TO FAMILY SERVICES SPECIALISTS AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR SMITH SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Carlton asked the members to review the other closing items recommended by the Governor for the Senior Rx and Disability Rx budget account, which appeared reasonable to Fiscal Analysis Division staff.

1. Database Upgrade. Decision unit Enhancement (E) 225 included additional Fund for a Healthy Nevada funds of \$50,000 in FY 2014 to upgrade the Senior Rx and Disability Rx database.
2. Cost Allocation. Decision unit E-804 decreased Fund for a Healthy Nevada funding by \$182,351 in the 2013-2015 biennium to support changes in the Division's cost-allocation plan.
3. Replacement Equipment. Decision unit E-710 included \$3,055 in fiscal year 2014 to replace one desktop computer and one printer.

SENATOR SMITH MOVED TO APPROVE OTHER CLOSING ITEMS 1 THROUGH 3 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS TO INTERNAL COST ALLOCATIONS.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**HUMAN SERVICES
AGING AND DISABILITY SERVICES
HOME AND COMMUNITY BASED SERVICES (101-3266)
BUDGET PAGE DHHS-ADSD-48**

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained there were five major closing issues in the Home and Community Based Services budget account (BA) 3266.

1. Increase Autism Treatment Assistance Program (ATAP) Caseload.
Ms. Crocket explained the Governor's recommended budget included additional funds of \$3,635,124 over the 2013-2015 biennium, including \$2,000,494 in General Funds and \$1,634,630 in Fund for a Healthy Nevada funds, to increase the ATAP caseload from 137 children to 341 children per month by the end of fiscal year (FY) 2015. She said the cases would be phased in by adding 9 to 10 children per month over the biennium.

Ms. Crocket said the Aging and Disability Services Division (ADSD) indicated that the ATAP caseload was currently 134 children, and 299 children were waiting for services as of March 2013. Ninety-five percent of the children had been on the waitlist for over 90 days, and the maximum wait-time had been 2,005 days, or over 5 years. Ms. Crocket said in addition to the waitlist, there were 103 cases in referral status, which included clients who had submitted applications and a proof of diagnosis. Children remained in referral status for 60 days before moving to the waitlist.

Ms. Crocket pointed out that the Governor's recommended funding to increase the ATAP caseload would not remove the waitlist, which would continue to grow. The Division projected that 376 children would be on the waitlist at the end of FY 2015. She said the Division had projected the cost to eliminate the ATAP waitlist would be approximately \$5 million over the biennium. In further discussion with the Division, the projection had been

revised to approximately \$6.51 million in direct program costs and approximately \$780,000 in internal staffing and infrastructure costs, bringing the total cost to approximately \$7.3 million.

Ms. Crocket said the Fiscal Analysis Division had received budget amendment A13A0087, adding \$422,941 in General Fund appropriations over the 2013-2015 biennium for four new positions and equipment and operating costs to support ATAP beginning in October 2013. She said the funding would add one social services program specialist 2, one management analyst 1, and two administrative assistants 3. Currently ATAP was staffed by one social service program specialist, who was responsible for program management and oversight and managing the contracted case managers, and the scope of responsibility of that position would be expanded to manage the additional ATAP staff.

Ms. Crocket explained that the recommended ATAP caseload increase would require 11 full-time-equivalent (FTE) contracted case managers in the 2013-2015 biennium; currently there were 4.5 case managers. If the new positions were not approved, the existing social services program specialist would be responsible for directly managing 11 case managers and carrying out other ATAP administrative and fiscal duties. She said the Division had said the new positions would provide one supervisory position to oversee approximately five case managers, which was consistent with other management ratios within ADSD.

Ms. Crocket pointed out that since the new positions were included in a budget amendment, they were not included in the Governor's recommended budget, and the Division did not discuss any additional resources to support the ATAP increase during the budget hearing. She said ADSD had indicated an oversight was made, and the Division would not have adequate internal resources to oversee the increased caseload if the budget amendment was not approved. Ms. Crocket said that Fiscal staff discussed the possibility of phasing in the new positions over the biennium because of the phased-in nature of the caseload increase proposed for ATAP, and the Division agreed that would be a reasonable approach. General Fund savings of approximately \$30,000 would be realized over the biennium.

Ms. Crocket said there were two decisions to be made by the Subcommittees:

1. Whether to approve the Governor's recommendation to increase caseload for the Autism Treatment Assistance Program from 137 children per month to 341 per month, at an additional cost of approximately \$3.6 million over the biennium, including \$2 million in General Fund.
2. If the proposed Autism Treatment Assistance Program caseload increase was approved, whether to approve budget amendment A13A0087 to add four positions to support the program, with technical adjustments to phase in the positions over fiscal year 2014. The adjustments would reduce the General Fund appropriation from \$422,941 to \$396,384 over the biennium.

Chair Carlton asked for questions from the Subcommittees.

Senator Kieckhefer noted that when the referral list was added to the waitlist, there were 402 children waiting for services. He was trying to understand what the actual cost would be to either eliminate or reduce the waitlist. He recalled that Fiscal staff had indicated that the projected cost to eliminate the waitlist had increased from \$5 million to \$7.3 million, and he asked whether that amount would fund both the referral list and waitlist.

Ms. Crocket replied the \$7.3 million figure was a rough estimate from the Division, and she would have to work with ADSD to hone in on a more accurate estimate. She could provide the information to the Subcommittees very quickly.

Senator Kieckhefer said he considered ATAP to be the most important of core government services, and he would consider a General Fund appropriation to help offset or eliminate a large portion of the waitlist.

Chair Carlton said she supported Senator Kieckhefer's position. The sooner children were served, the more successful they would be. She asked what his thoughts were on what could be done.

Senator Kieckhefer did not know whether the waitlist could be addressed on a projected monthly cost-per-child basis or a lump-sum allocation to the program.

Ms. Crocket explained the ADSD budgeted on a per-child monthly assistance basis. The upcoming biennium's budget was built on \$1,274 per child, and a \$54 per month administrative cost was paid to the fiscal agent. There would be additional staffing costs associated with increasing the caseload.

Senator Kieckhefer asked whether an increase would have to be based on a number of children or whether a lump-sum amount could be allocated. Ms. Crocket replied a lump-sum amount could be specified.

Chair Carlton asked whether the funding would become a part of the base budget and have to be addressed in the future. She was not sure of the appropriate options.

Assemblywoman Kirkpatrick asked whether an additional one-shot appropriation could be made to serve more children. She noted there were many needs across the state.

Michael J. Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that the Subcommittees could close the budget with one of the two options at this meeting, and when the Subcommittees' recommendations were presented to the full finance committees, consideration could be given to add funding to the budget at that time, depending upon information obtained from the Division by Fiscal staff.

Mr. Chapman said another option would be to close the budget and then consider a one-shot appropriation. However, the problem with the one-shot appropriation was that the funds would be limited to the 2013-2015 biennium and the budget would be left short in the next biennium.

Mr. Chapman said the decision of the Subcommittees, and ultimately the full money committees, would be whether to add more funds to the budget, which were not included in The Executive Budget, and to determine how the additional funding could continue beyond the 2013-2015 biennium.

SENATOR KIECKHEFER MOVED TO:

- APPROVE THE GOVERNOR'S RECOMMENDATION TO INCREASE THE ATAP CASELOAD FROM 137 CHILDREN TO 341 CHILDREN PER MONTH;

- APPROVE BUDGET AMENDMENT A13A0087 TO ADD FOUR NEW POSITIONS;
- DIRECT FISCAL ANALYSIS DIVISION STAFF TO WORK WITH THE AGING AND DISABILITY SERVICES DIVISION TO CALCULATE THE AMOUNT TO FULLY FUND THE WAITLIST AND THE REFERRAL LIST;
- CONSIDER A POSSIBLE 75 PERCENT FUNDING LEVEL DURING FULL COMMITTEE CLOSINGS; AND
- AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

Assemblyman Hickey said he agreed with the sentiments expressed, and he was glad the closing options would be brought before the full finance committees. The program's advocates would have the opportunity to have a discussion with the Executive Branch to see whether there would be an appetite to support the Subcommittees' concern for the program.

THE MOTION CARRIED UNANIMOUSLY.

Senator Kieckhefer requested that consideration also be given to possibly using reserves in the Fund for a Healthy Nevada as a potential funding component to reduce the General Fund need.

Chair Carlton said that Fiscal staff would pursue all options for consideration by the full committees.

2. Waiver Caseloads. Ms. Crocket explained the Governor recommended increased General Funds totaling \$493,486 and non-General Funds of \$446,830 over the 2013-2015 biennium, including 7 new positions to support 117 additional waiver slots for the Home and Community Based Waiver (HCBW) program. The increase to the HCBW program would align it with demographic growth, and the new positions would be phased in over the biennium to align with the caseload growth.

Ms. Crocket recalled that during ADSD's budget hearing, there was discussion concerning a waiver amendment with the Centers for Medicare and Medicaid Services (CMS). The ADSD had indicated that CMS would probably approve a revised waiver application within 90 days because the revision would result

in increased access to existing services rather than a decrease or significant program revision.

Ms. Crocket asked whether the Subcommittees wished to approve the Governor's recommendation for additional General Funds of \$493,486 to increase Home and Community Based Waiver slots by 117 over the 2013-2015 biennium.

Chair Carlton asked for questions from the Subcommittees; hearing none, she called for a motion.

SENATOR SMITH MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR ADDITIONAL GENERAL FUNDS OF \$493,486 TO INCREASE HOME AND COMMUNITY BASED WAIVER SLOTS.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Hambrick was not present for the vote.)

3. Increase Independent Living Program Caseload due to Olmstead Decision.

Ms. Crocket said the third major closing issue in the Home and Community Based Services account was an increase to the Independent Living Program (ILP) caseload related to the U.S. Supreme Court *Olmstead v. L.C.* decision, which mandated that persons waiting for disability services must receive services within a reasonable wait-time. In Nevada, the reasonable wait-time had been determined to be 90 days.

Ms. Crocket said the Governor recommended additional General Funds of \$1,165,040 over the 2013-2015 biennium to increase caseload for the ILP, which provided home and vehicle modifications and core supportive services to enable Nevadans with severe disabilities to live independently. According to ADSD, the additional funding would increase the caseload from 216 cases per year to 360 per year by the end of fiscal year (FY) 2015, representing a 41 percent increase in funding dedicated to the program.

Ms. Crocket said that 320 persons were waiting for services as of March 2013, with 73 percent of those waiting more than 90 days. The maximum wait-time in February was 623 days, nearly 2 years, with an average

wait-time of 262 days. According to ADSD, the recommended increase in caseload would reduce the waitlist to 156 by the end of FY 2015.

Because the justification for the enhancement was to comply with the Olmstead decision, which the agency indicated the state was in danger of violating, Ms. Crocket said she had asked the Division how wait-times for services would change if the enhancement was approved; she noted that the agency had testified that the enhancement was intended to reduce ILP wait-times. In response to Ms. Crocket's question, the Division said that projecting average and maximum wait-times was not an effective measure of wait-times because the waitlist was prioritized to provide services to those more at risk of institutionalization: individuals at risk of institutional placement waited a short time for services, while others with lower risk waited longer.

Ms. Crocket asked whether the Subcommittees wished to approve the Governor's recommendation to direct \$1,165,040 in additional General Funds over the 2013-2015 biennium to increase caseload for the Independent Living Program from 216 to 360 cases per year.

Chair Carlton asked for questions; hearing none, she called for a motion.

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO DIRECT \$1,165,040 IN GENERAL FUNDS TO INCREASE CASELOAD FOR THE INDEPENDENT LIVING PROGRAM FROM 216 TO 360 CASES PER YEAR OVER THE BIENNIUM.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Parks was not present for the vote.)

4. Reclassifications to Increase Management Oversight of the Elder Protective Services Program. Ms. Crocket explained the Governor recommended additional General Fund appropriations totaling \$25,358 over the 2013-2015 biennium to reclassify two existing positions to increase management of the Elder Protective Services (EPS) program. One vacant social worker 2 and one filled social services manager 1 would be reclassified to social services manager 2 positions.

Ms. Crocket said currently the EPS program was managed by one social services manager 1 in northern Nevada. The Governor's recommendation would add a manager, through reclassification, to southern Nevada. In 2010, Clark County transferred responsibility of its elder protective services to the state, and a number of positions were approved by the 2011 Legislature to support the transfer. However, she said, no additional management staff was requested at that time, and the social services manager 1 was currently responsible for managing 9 positions and indirectly managing 44 positions. The social services manager had to dedicate a significant amount of time to personnel issues rather than managing program development and analyzing quality assurance processes.

Ms. Crocket pointed out that the final classifications of the positions would be determined by the Division of Human Resource Management in the Department of Administration.

Ms. Crocket asked whether the Subcommittees wished to approve the Governor's recommendation to increase management of the Elder Protective Services program by reclassifying two positions at an additional General Fund cost of \$25,358 over the 2013-2015 biennium.

Chair Carlton asked for questions and hearing none, she called for a motion.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE GENERAL FUNDS IN THE AMOUNT OF \$25,358 TO RECLASSIFY TWO POSITIONS IN THE ELDER PROTECTIVE SERVICES PROGRAM FOR THE 2013-2015 BIENNIUM.

SENATOR SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Parks was not present for the vote.)

5. Traumatic Brain Injury Caseload. Ms. Crocket explained the Governor's recommended budget included a base budget adjustment altering the amount of funding for the Traumatic Brain Injury (TBI) program, which subgranted funding to provide postacute rehabilitation services to TBI survivors who had no other payer source. She said in fiscal year (FY) 2014, the Governor recommended approximately \$1.7 million to support the TBI program, an approximate increase of \$200,000 or 13 percent over FY 2012 actual

funding of \$1.5 million. In FY 2015, funding was recommended to decrease to \$1.3 million because of provisions of the Affordable Care Act.

Ms. Crocket said that the TBI program was funded 100 percent by tobacco settlement funding from the Fund for a Healthy Nevada. The Aging and Disability Services Division indicated that in FY 2014, the funding would support a caseload of 51 persons, which was the same number supported in the current biennium, and in FY 2015, the caseload would decrease to 44 persons.

Ms. Crocket went on to explain that the Division had indicated that the \$200,000 increase in FY 2014 funding would support an information technology project. The project would develop a website module for the Aging and Disability Services Division resource center's portal to provide education on the prevention of and services for traumatic brain injuries. Ms. Crocket noted that the TBI program had historically funded subgrants to provide direct rehabilitative services to clients who might require public assistance for the rest of their lives. She noted that use of the Fund for a Healthy Nevada for the TBI informational resources would be a departure from historical practice, and the website module appeared to be related to preventing injuries rather than improving the health and well-being of persons with disabilities, as required in *Nevada Revised Statutes* (NRS) 439.630, subsection 1, paragraph (h).

Ms. Crocket said the Subcommittees might wish to consider the following options:

1. Approve the Governor's recommendation to direct \$1.7 million in FY 2014 and \$1.3 million in FY 2015 to support the Traumatic Brain Injury program, including direct services subgrants of \$1.5 million in FY 2014 and \$1.3 million in FY 2015. The recommendation would direct approximately \$200,000 from the Fund for a Healthy Nevada to provide for the development of an educational module on the ADSD resource center's website.
2. Approve the Governor's recommendation to direct \$1.5 million in FY 2014 and \$1.3 million in FY 2015 to support the Traumatic Brain Injury program, including direct services subgrants of \$1.5 million in FY 2014 and \$1.3 million in FY 2015, but do not approve the

Governor's recommendation to fund a website development project with \$200,000 from the Fund for a Healthy Nevada.

Ms. Crocket explained if the Subcommittees chose option 2, they might wish to redirect the \$200,000 to another program supported by tobacco settlement funding or place the funding in reserve in the Fund for a Healthy Nevada.

Chair Carlton asked for questions and comments on the two options. She was not sure she was prepared to designate where the \$200,000 should be redirected; she would recommend the funds be placed in reserve in the Fund for a Healthy Nevada to address issues that might arise later.

Assemblywoman Kirkpatrick suggested selecting option 2, because the Division of Enterprise Information Technology Services had discussed several technology proposals for the upcoming biennium. She noted that the Department of Health and Human Services currently had an excellent website.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE
OPTION 2 TO NOT APPROVE THE REQUEST TO FUND WEBSITE
DEVELOPMENT, AND TO PLACE \$200,000 IN THE FUND FOR A
HEALTHY NEVADA RESERVE FOR FUTURE USE.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Parks was not present for
the vote.)

Chair Carlton asked the Subcommittees to review other closing items 1 through 4 as recommended by the Governor, which appeared reasonable to Fiscal staff.

1. Replacement Computer Equipment. Decision unit Enhancement (E) 710 included \$109,369 in the 2013-2015 biennium, including \$75,369 in General Funds, to replace computer hardware: 57 desktop computers, 26 laptop computers, and 5 printers.

2. Establish Voice Mail. Decision unit E-711 included \$6,957 in the 2013-2015 biennium, including General Fund appropriations of \$4,562, to establish 38 telephone lines and 36 voicemail boxes for the ADSD's Reno office.

3. Cost Allocation. Decision unit E-804 increased funding by \$2,844,448 over the 2013-2015 biennium, including \$1,331,706 in General Fund, to support changes associated with the Division's cost-allocation plan.

4. Position Transfers. Decision units E-900 and E-901 transferred two positions, one management analyst 1 and one administrative assistant 2, from the Federal Programs and Administration account to the Home and Community Based Services account, and one administrative assistant 3 to the Federal Programs and Administration account from the Home and Community Based Services account, to align the duties of the positions with the appropriate budget accounts.

ASSEMBLYMAN HAMBRICK MOVED TO APPROVE OTHER CLOSING ITEMS 1 THROUGH 4 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Parks was not present for the vote.)

BUDGET CLOSED.

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**HUMAN SERVICES
AGING AND DISABILITY SERVICES
IDEA PART C (101-3276)
BUDGET PAGE DHHS-ADSD-59**

Cathy Crocket, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said there was one major closing issue in budget account (BA) 3276, Individuals with Disabilities Education Act (IDEA) Part C, which was the location of the Early Intervention Services (EIS) compliance function. She said that as a result of the consolidation of the Early Intervention Services program with the Aging and Disability Services Division (ADSD), the compliance and monitoring oversight function provided by the IDEA Part C Office and the EIS direct service component would be located in the same division.

She said that historically the two functions had been placed in separate agencies within the Department of Health and Human Services (DHHS) because of concerns regarding independence of the monitoring and compliance functions.

Ms. Crocket recalled that the Subcommittees had asked ADSD to describe the procedures that would be put into place to ensure that the IDEA Part C Office would be able to provide independent compliance and monitoring of EIS. In response, the Division indicated that the IDEA Part C Office would continue its current practice of reporting specific assurances to the U.S. Department of Education's Office of Special Education Programs. In addition, the Division noted that within the Early Intervention Services account, developmental services staff would be redirected from service delivery to conduct internal quality assurances and review of services provided by EIS staff and contractor providers. Ms. Crocket observed that the quality assurance activities were internal rather than independent compliance and monitoring.

Ms. Crocket said the Division had also indicated that within the ADSD, the IDEA Part C Office and EIS staff would report to two different deputy directors in the Division.

Ms. Crocket suggested the Subcommittees might wish to consider two options:

1. Approve the Governor's recommendation to locate the IDEA Part C Office, which provided EIS monitoring and compliance, in the same division as EIS.
2. Not approve the Governor's recommendation to locate EIS direct service delivery and monitoring and compliance within the same division and transfer the IDEA Part C Office to a different DHHS agency, such as the DHHS Director's Office.

Chair Carlton asked for questions from the Subcommittees.

Assemblyman Bobzien said that given the concerns the Subcommittees had regarding the consolidation, he would prefer that the direct service delivery and monitoring and compliance functions be separated.

ASSEMBLYMAN BOBZIEN MOVED TO LOCATE THE EARLY INTERVENTION MONITORING AND COMPLIANCE FUNCTION IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES DIRECTOR'S OFFICE.

SENATOR SMITH SECONDED THE MOTION.

Chair Carlton noted that the Subcommittees had discussed the options, and it appeared the Subcommittees were leaning toward putting the monitoring and compliance function into the Director's Office. She asked Mr. Willden to discuss how he felt about the placement of the function in his office.

Michael J. Willden, Director, Department of Health and Human Services, replied that he would be comfortable with either option the Subcommittees approved.

THE MOTION CARRIED. (Assemblyman Horne was not present for the vote.)

Chair Carlton asked the Subcommittees to review the three other closing items recommended by the Governor, which appeared reasonable to Fiscal Analysis Division staff.

1. Replacement Computer Equipment. Decision unit Enhancement (E) 710 included \$2,026 in FY 2014 to replace two desktop computers in accordance with the Division of Enterprise Information Technology Services' replacement schedule.
2. Establish Voice Mail. Decision unit E-711 included \$371 in the 2013-2015 biennium to fund voice mail and state telephone services for two positions in the ADSD Reno office.
3. Cost Allocation. Decision unit E-804 increased funding by \$52,543 in the 2013-2015 biennium to support changes associated with the Division's cost-allocation plan.

ASSEMBLYMAN BOBZIEN MOVED TO APPROVE OTHER CLOSING ITEMS 1 THROUGH 3 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE THE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR SMITH SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Horne was not present for the vote.)

BUDGET CLOSED.

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**HUMAN SERVICES
AGING AND DISABILITY SERVICES
EARLY INTERVENTION SERVICES (101-3208)
BUDGET PAGE DHHS-ADSD-64**

Laura Freed, Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that most of the funding in the Early Intervention Services (EIS) budget account (BA) 3208 was General Fund, but the Individuals with Disabilities Education Act (IDEA) Part C grant provided approximately \$3 million for direct services. She explained that the IDEA Part C grant had a maintenance of effort requirement that all General Fund added to the account and expended in the upcoming biennium must be continued in successive fiscal years.

Ms. Freed noted that because of the federal budget sequestration [the automatic across-the-board cuts known as sequestration, necessitated by the Budget Control Act of 2011], the Aging and Disability Services Division (ADSD) had indicated that the IDEA Part C grant award would be reduced by approximately \$200,000 each fiscal year of the biennium.

Ms. Freed said there were two major closing issues in the Early Intervention Services budget.

1. Service Provision Model and Caseload Growth. Ms. Freed recalled that the caseload adjustment in decision unit Maintenance (M) 200 represented new caseload growth, as well as the transition of caseload from the EIS clinics to the community providers. She said the M-200 decision unit in The Executive Budget decreased EIS expenditures by \$102,124 in fiscal year (FY) 2014 and \$1,378,417 in FY 2015, while the community provider expenditures would increase by \$1,156,346 and \$5,555,978, respectively.

Ms. Freed explained that by the end of FY 2013, the total EIS caseload was projected to be split equally between state EIS clinics and community providers. By the end of FY 2014, the caseload split was budgeted to be 55 percent community providers and 45 percent state EIS clinics, and by the end of the biennium, the split would be at 75 percent community providers and 25 percent state EIS clinics. Ms. Freed noted that more recent caseload projections had been submitted by ADSD for FY 2013 and both years of the upcoming biennium, which were slightly less than the projected caseloads in The Executive Budget.

Ms. Freed pointed out that community providers were budgeted to be paid a monthly capitated rate of \$565 per caseload slot. In contrast, the average cost per child per month for EIS-contracted therapists used to build the state clinics' budget was \$332.96. She explained the costs were different because the capitated rate paid to the community providers per slot did not cover the other programs in EIS. The \$565 capitated rate was assumed to cover the community providers' overhead, while the EIS program had other responsibilities in addition to its overhead.

Ms. Freed said that based on the revised projected caseload at the end of FY 2013, split equally between the EIS clinics and the community providers (1,592 children each), Fiscal staff calculated the differing costs of serving children for the community providers and the state EIS clinics, using the base budget expenditures recommended. There were three different costs to consider in the EIS budget account as the Subcommittees moved forward:

- The total base budget cost for EIS clinic operation (including overhead budgeted in other categories, but not including therapist expenses) of \$740 (FY 2014) and \$1,270 (FY 2015) per slot, per month.
- The capitated rate paid to community providers of \$565 per slot, per month for both fiscal years.
- The isolated costs for paying state-contracted therapists of \$339 per slot, per month.

Ms. Freed noted again that the revised caseload projections were lower than the caseloads used in The Executive Budget, but the Department of Administration did not submit a budget amendment to reduce funding in the account. The lower caseload projections would affect the final budget

amounts, and Fiscal Analysis Division staff had prepared four different methodological assumptions to use when projecting the costs to provide EIS services, which she explained:

- The Number of Referred Children and Percentage of Referrals Who Qualified. Fiscal Analysis Division staff looked at the most recent information regarding the number of children referred in the southern region and the percentage that qualified for EIS services. In recalculating the need in the EIS budget using the information from the southern region, Fiscal staff assumed that 70 percent of all referred children would qualify for services; The Executive Budget was built on the assumption that 60 percent would qualify.
- Apportioning Caseload from Grand Total Caseload Projections. In building The Executive Budget, the ADSD used two different projections from the Department of Health and Human Services (DHHS) Director's Office. The Fiscal Analysis Division used only the grand total projections ("Served with Individual Family Service Plan [IFSP] + Referrals"), which increased the projected caseload for budgeting purposes.
- Revised EIS Contracted-Therapists' Cost. Fiscal Analysis Division staff suggested averaging two quarters of actual data available with the sample of actual provider billings that were used to build The Executive Budget. Instead of \$332.96 per child, per month as an average cost, Fiscal staff suggested using \$323.42 per child, per month.
- Staffing Ratios. At the work session on April 9, 2013, the Subcommittees considered staff ratios to serve medically fragile children, as opposed to nonmedically fragile children. The ratios were as follows:
 - Medically Fragile Requiring Critical Care 1:12
 - Medically Fragile Not Requiring Care 1:25
 - Nonmedically Fragile 1:25

Forty percent of the total caseload was estimated to be medically fragile, and of that percentage, approximately one-third would need critical-care services. If the caseload was split equally between the

community providers and the EIS clinics by the end of FY 2013, the majority of the EIS clinics' caseload would be medically fragile children.

Considering all of the current information, Ms. Freed said that Fiscal staff recommended that overall staffing in the EIS budget should be reconsidered to ensure that there were sufficient developmental specialist positions to handle the lower caseload-per-worker ratios. Based on the revised caseload projections from DHHS for FY 2013, Fiscal staff calculated that 82.05 full-time equivalent (FTE) developmental specialist 3 positions would be needed to handle the caseloads predicted for the three ratios when the caseload was split 50/50 by the end of FY 2013. Ms. Freed noted that there would be a deficit of 13.05 FTE developmental specialist 3 positions for the state clinics beginning in FY 2014.

Ms. Freed said to reannualize the projected caseloads using the four methodological assumptions she had outlined, a net addition of approximately \$2.7 million in General Fund would be required over the biennium. She had prepared three caseload split scenarios between the community providers and the state EIS clinics for the Subcommittees' consideration, as she explained below:

Scenario #1 – 50/50 Split throughout the 2013-2015 Biennium

Ms. Freed noted that the state personnel costs would be \$3,155,318 for the biennium, the EIS clinics would be an addition of \$3,059,057, and because the community providers would have 25 percent less of the caseload, there would be a reduction in community provider funding of \$3,954,728. If the Subcommittees chose to continue with a caseload split of 50/50, the net addition in General Fund would be \$2,259,647 over the biennium.

Chair Carlton clarified that 25 percent less referred to 25 percent less than the projected caseload in the Governor's recommended budget and not 25 percent less than the number of cases currently being served. Ms. Freed said she was correct.

Ms. Freed said to serve the state's 50 percent share of the caseload by the end of FY 2014, a total of 22.41 additional full-time-equivalent (FTE) developmental specialist 3 positions would be needed, which was 9.36 FTE more than the 13.05 FTE required to begin the 2013-2015 biennium.

Scenario #2 – 40/60 Split by the End of the 2013-2015 Biennium

Ms. Freed explained that under Scenario #2, by the end of FY 2015, the only children the state would serve would be the medically fragile population. As with Scenario #1, 13.05 developmental specialist 3 positions would be needed to begin the biennium, but only 3.68 new positions would be needed at the beginning of FY 2014. Because the addition to the personnel costs would not be offset by reductions in program categories as in Scenario #1, the net cost of pursuing a 40/60 split over the biennium under Scenario #2 would be approximately \$3.2 million, which is greater than maintaining the 50/50 caseload split.

Scenario #3 – 25/75 split (Governor's Recommendation) with Methodological Adjustments

Ms. Freed explained that Scenario #3 reflected the Governor's recommendation, with the methodological adjustments she had discussed earlier. There would be no state personnel costs involved, and the net addition in General Funds over the biennium would be \$90,211.

Ms. Freed said that under Scenario #3, state EIS staffing needs would be reduced over the 2013-2015 biennium. By the end of the biennium when the EIS clinics would be serving 25 percent of the total caseload, there would be a need for only 61.68 FTE developmental specialist 3 positions for clinical services. She said that theoretically, over the course of FY 2015, the ADSD would need to eliminate the 19.73 FTE developmental specialists hired during FY 2014, plus an additional 7.32 FTE developmental specialist 3 positions and 1.47 FTE developmental specialist 4 positions from the current staffing level.

Ms. Freed pointed out that 8.79 FTE developmental specialists could have been recommended for elimination in the second year of the biennium, but ADSD testified that it would not lay off any incumbents because of movement of caseload to the community providers. She said it was likely that the incumbents not needed in clinical services would move into the quality assurance role or into other programs within the Division.

Ms. Freed reviewed five options for the Subcommittees to consider:

1. Approve the Governor's recommended budget for decision unit Maintenance (M) 200 (shift the caseload to a 25/75 split), thereby reducing \$102,124 from the EIS therapist category and increasing the community provider category by \$1,156,346 in FY 2014, and decreasing the EIS therapist category by \$1,378,417 and increasing the community provider category by \$5,555,978 in FY 2015, with no staffing changes and no base budget adjustment.
2. Approve the Governor's recommended budget for M-200, along with the Fiscal staff's recalculation of the base budget need, thereby adding \$923,572 in General Fund appropriations for program expenditures and \$1,730,804 in staff costs (13.05 developmental specialists 3 and 2 developmental specialists 4) over the 2013-2015 biennium.
3. Approve Scenario #1: continue the 50/50 split of the total EIS caseload between community providers and state EIS clinics, for a total net addition of \$2,259,677 in General Fund appropriations over the upcoming biennium, thereby adding 37.51 new state positions over the biennium to achieve the desired staffing ratios.
4. Approve Scenario #2: transition 60 percent of the total caseload to community providers by the end of the upcoming biennium, for a total net addition of \$3,151,582 in General Fund appropriations over the upcoming biennium, thereby adding 20.75 new state positions to the budget over the biennium to achieve the desired staffing ratios.
5. Approve Scenario #3: transition 75 percent of the total caseload to community providers over the upcoming biennium, for a total net addition of \$90,211 in General Fund appropriations over the upcoming biennium.

Chair Carlton asked for questions from the Subcommittees.

Senator Kieckhefer asked whether under Scenario #1, the 50/50 split, the state would retain all of the medically fragile caseload plus 10 percent of nonmedically fragile caseload.

Ms. Freed replied that under the 50/50 split, by the end of FY 2015, both the community providers and the state EIS clinics would have 1,955 projected

children each, and of those, it was projected that 1,564 would be medically fragile and 391 would be nonmedically fragile.

Senator Smith stated that the Interim Finance Committee had spent a lot of time over the past year discussing Early Intervention Services, and she thanked the Fiscal Analysis Division staff for their work analyzing the program. She said she had continuing concerns about whether there was capacity to move in the direction of the Governor's recommendation based on past discussions, and she was sensitive to the input from the pediatricians who were involved in EIS care.

SENATOR SMITH MOVED TO APPROVE SCENARIO #1
TO CONTINUE THE 50/50 SPLIT OF THE TOTAL
EARLY INTERVENTION SERVICES CASELOAD AND ADD
\$2,259,677 IN GENERAL FUND APPROPRIATIONS OVER THE
2013-2015 BIENNIUM TO ADDRESS THE WAITLIST.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

Chair Carlton asked for further comments or questions from the Subcommittees.

Senator Kieckhefer said he would support the motion, which was directly in line with his comments regarding the Autism Treatment Assistance Program. Providing assistance to children early on would have a dramatic effect on their lives, and he was sensitive to the comments made by the healthcare provider community, particularly from the northern Nevada pediatricians. Senator Kieckhefer disclosed that his children had been treated by some of the pediatricians and had also been through the Nevada Early Intervention Services program. He believed the Subcommittees' action would be good for the children to be served.

Assemblyman Bobzien disclosed that his children had also been treated by some of the northern Nevada pediatricians.

Ms. Freed asked whether the motion for approval included authority for Fiscal Analysis Division staff to recalculate the base budget amounts based on the revised caseload projections for FY 2013 and the 2013-2015 biennium.

Senator Smith agreed to amend her motion to include authority for Fiscal staff to adjust the base budget amounts for Early Intervention Services budget account 3208 based on revised caseload projections; Assemblyman Bobzien agreed to amend his second to the motion.

THE MOTION CARRIED AS AMENDED. (Assemblymen Hambrick and Kirner voted no.)

2. Movement of Program to Aging and Disability Services. Ms. Freed said the second major closing item had been addressed by the Subcommittees. In closing the Aging and Disability Services Division Federal Programs and Administration budget account 3151, the policy decision had been made.

Ms. Freed asked whether the Subcommittees wished to approve the transfer of one clinical program manager 2 from the Sierra Regional Center budget to ADSD and remove the Health Division's indirect cost assessment and replace it with the ADSD cost allocation, thereby transferring the Federal Programs and Administration budget account 3151 to ADSD.

Chair Carlton asked for questions; there were none.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE THE TRANSFER OF ONE CLINICAL PROGRAM MANAGER 2 POSITION FROM THE SIERRA REGIONAL CENTER BUDGET TO ADSD AND TO REMOVE THE HEALTH DIVISION'S INDIRECT COST ASSESSMENT AND REPLACE IT WITH THE ADSD COST ALLOCATION AS RECOMMENDED BY FISCAL STAFF.

SENATOR SMITH SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Carlton asked the members of the Subcommittees to review the other closing items recommended by the Governor, which appeared reasonable to Fiscal staff.

1. Autism Assessment Kits. Decision unit Enhancement (E) 225 included General Fund appropriations of \$15,167 each year of the biennium to purchase 11 Autism Diagnostic Observation Schedule-2 kits per year for use in the EIS clinics.

2. Technology Upgrade. Decision unit E-226 recommended General Fund appropriations of \$9,244 in FY 2014 and \$4,000 in FY 2015 to purchase eight Apple iPads and unlimited data service for use in rural case management, service coordination, and translation for the northwest region of the state. The iPads would be used to communicate with families in rural areas to save travel costs.

3. Replacement Equipment. Decision unit E-710 included General Fund appropriations of \$105,465 in FY 2014 and \$106,994 in FY 2015 to replace the following equipment: 57 laptop computers and 32 desktop computers, Microsoft Office Suite for the new computers, and 1 middle-ear analyzer for use in the EIS clinics.

4. Position Reclassifications. Decision unit E-805 included \$5,112 over the upcoming biennium to reclassify three positions: an administrative assistant 4 to an account technician 1, a clinical social worker 2 to a management analyst 2, and an accounting assistant 2 to an accounting assistant 3.

Ms. Freed requested approval to move the equipment request in item 2 from category 04, Operating, to category 05, Equipment, because it was a one-time request.

ASSEMBLYMAN KIRNER MOVED TO APPROVE OTHER CLOSING
ITEMS 1, 3, AND 4 AS RECOMMENDED BY THE GOVERNOR,
AND TO AUTHORIZE FISCAL STAFF TO MAKE THE
RECOMMENDED TECHNICAL ADJUSTMENTS TO ITEM 2 AND
OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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HUMAN SERVICES
AGING AND DISABILITY SERVICES
FAMILY PRESERVATION PROGRAM (101-3166)
BUDGET PAGE DHHS-ADSD-73

Mark Winebarger, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained there was only one major closing item in the Family Preservation Program budget account 3166, which was caseload increase and program management. He explained that according to *Nevada Revised Statutes* (NRS) 435.365, the amount of assistance for eligible families must be established by legislative appropriation, and since fiscal year (FY) 2009, the amount had been \$374 per month. The NRS also required the Aging and Disability Services Division (ADSD) to create a waitlist for applicants who were eligible for assistance but were denied assistance because of insufficient appropriations.

Mr. Winebarger said the Governor recommended total funding of \$5,617,480 over the biennium to support caseloads that were expected to increase to 647 families by the end of the 2013-2015 biennium at \$374 per month. However, updated Department of Health and Human Services (DHHS) projections indicated that the number of families qualifying for assistance would increase to 668 by June 30, 2015. As a result of adding 21 additional families, the ADSD calculated that additional General Fund appropriations of \$18,326 in FY 2014 and \$67,694 in FY 2015 would be required to avoid placing families on a waitlist.

Mr. Winebarger outlined two options for the Subcommittees' consideration:

1. Approve the Governor's recommendation to increase General Fund appropriations over the 2011-2013 biennium amounts by \$56,100 in FY 2014 and \$157,828 in FY 2015 for assistance to 33 additional low-income families who cared for relatives in their homes.
2. Modify the Governor's recommendation based on updated caseload projections and increase General Fund appropriations over the current biennium by \$74,426 in FY 2014 and \$225,522 in FY 2015 to serve 54 additional families, thereby eliminating the projected waitlist.

Chair Carlton said the Subcommittees realized the importance of addressing the waitlist, but, she pointed out, the waitlist was projected: it was not actual. She asked for questions from the Subcommittees.

Since the waitlist was projected, Senator Smith asked what options the Subcommittees would have to address the waitlist in a different manner rather than funding it up-front. She wondered if the projection for FY 2014 could be funded, with a provision to fund the waitlist in FY 2015 if it occurred.

Mr. Winebarger replied the projected 2014 waitlist could be funded, and the Aging and Disability Services Division could be directed to request additional funds from the Interim Finance Committee if and when the projected waitlist for FY 2015 was established.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE GENERAL FUNDS IN THE AMOUNT OF \$74,426 IN FY 2014 TO ADDRESS THE PROJECTED WAITLIST AND \$157,828 IN FY 2015, WITH DIRECTION TO THE ADSD TO REQUEST ADDITIONAL FUNDS FROM THE INTERIM FINANCE COMMITTEE IF A WAITLIST MATERIALIZED IN FY 2015.

SENATOR SMITH SECONDED THE MOTION.

Senator Kieckhefer asked for further clarification of the dollar amounts requested.

Alex Haartz, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that in the Maintenance (M) 200 decision unit, the Governor recommended \$56,100 in FY 2014 and \$157,828 in FY 2015, an increase in General Fund appropriations of \$213,928 over the 2011-2013 biennium amounts. To address the projected waitlist, additional General Funds of \$18,326 in FY 2014 and \$67,694 in FY 2015 would be required.

Senator Kieckhefer affirmed that the intent of the motion was to add \$18,326 in General Funds in FY 2014 to address the waitlist and to direct the Division to request additional funds in 2015 if a waitlist materialized. Mr. Haartz replied he was correct.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**HUMAN SERVICES
AGING AND DISABILITY SERVICES
RURAL REGIONAL CENTER (101-3167)
BUDGET PAGE DHHS-ADSD-75**

Mark Winebarger, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, recalled that the Subcommittees had approved the reorganization plan to move Developmental Services from the Division of Mental Health and Developmental Services into the Aging and Disability Services Division (ADSD), which addressed the first major closing issue: reorganization of developmental services agencies. He would review the decision units related to the reorganization's cost allocations and position transfers.

Chair Carlton observed the decision units appeared to be similar to those that were approved at an earlier meeting when the decision was made to approve the reorganization, along with the cost allocations and position transfers. She asked for a motion to approve the following decision units for budget account 3167, which were recommended by the Governor and deemed reasonable by Fiscal Analysis Division staff:

- Cost Allocation. Decision unit Enhancement (E) 800 included a decrease in Medicaid revenues and elimination of cost-allocation transfers to the Mental Health Information System totaling \$34,363 over the biennium.
- Cost Allocation. Decision unit E-801 included a decrease in Medicaid revenues and elimination of cost-allocation transfers to the Mental Health Administration account totaling \$42,896 over the biennium.
- Cost Allocation. Decision unit E-804 included an increase in General Fund appropriations of \$281,292 and Medicaid revenues of \$70,816 for cost-allocation transfers totaling \$352,108 over the biennium to ADSD.

- Position Transfer. Decision unit E-914 transferred a business process analyst 2 position from the Rural Regional Center to ADSD, resulting in a transfer of \$129,691 in General Fund appropriations from the Rural Regional Center to ADSD.

SENATOR SMITH MOVED TO APPROVE THE FOUR DECISION UNITS RECOMMENDED BY THE GOVERNOR FOR THE RURAL REGIONAL CENTER BUDGET ACCOUNT 3167 AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Winebarger said the second major closing issue for the Rural Regional Center budget involved caseload increases for Residential Services/Supported Living Arrangements and Jobs and Day Training. He explained that in the 2011-2013 biennium, the Governor recommended and the Legislature approved a shift in funding for children's service coordination from General Funds to reimbursement from the counties. However, the Mental Health and Developmental Services Division overestimated the number of children eligible for reimbursement from the counties, which resulted in a revenue shortfall for the Rural Regional Center of \$470,936 in fiscal year (FY) 2012.

Consequently, Mr. Winebarger said, the Governor recommended increases for Supported Living Arrangements (SLA) to bring caseload funding for FY 2014 and FY 2015 to the approved FY 2013 level of 351 clients. To fund the caseload back to the previous levels, the Governor recommended an additional \$1,640,361 over the biennium, of which \$813,997 was General Fund. However, updated projections through February 2013 indicated caseloads would be less than originally projected, decreasing to an average of 337 clients in FY 2014 and 326 clients in FY 2015.

Mr. Winebarger said that to fund the updated caseload projections for FY 2014 and FY 2015, the Rural Regional Center would require funding of \$18.7 million (\$9.3 million General Fund) over the biennium for Supported Living Arrangements, and there would be no waitlist. The Executive Budget recommended total SLA funding of \$19.3 million over the biennium, and the Fiscal Analysis Division staff suggested, and the Division concurred, that the

decision unit could be decreased by \$606,499 over the biennium, of which \$298,846 was General Fund.

Mr. Winebarger said the Subcommittees might wish to consider the following options for funding Residential Services/Supported Living Arrangements:

1. Approve the Governor's recommendation to increase funding for Supported Living Arrangements by \$1,640,361 over the biennium (\$813,997 General Fund) to serve an average of 351 clients per month.
2. Modify the Governor's recommendation by decreasing funding by \$606,499 over the biennium (\$289,843 General Fund) to serve an average of 337 clients in FY 2014 and an average of 326 clients in FY 2015.

Chair Carlton remarked the modification seemed appropriate, and she asked for questions from the Subcommittees.

ASSEMBLYMAN SPRINKLE MOVED TO DECREASE THE GOVERNOR'S RECOMMENDED FUNDING FOR RESIDENTIAL SERVICES/SUPPORTED LIVING ARRANGEMENTS BY \$606,499 OVER THE BIENNIUM.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Mr. Winebarger explained that similar to Supported Living Arrangements, the Aging and Disability Services Division indicated that the revenue shortfalls from the county reimbursements resulted in a waitlist for the Jobs and Day Training (JDT) program. The Governor recommended an additional \$378,620 in fiscal year (FY) 2014 and \$474,375 in FY 2015, for a biennial total of 42 additional slots, which would serve an average of 226 clients per month in FY 2014 and 234 clients in FY 2015.

Mr. Winebarger said updated projections indicated 264 persons would seek JDT services in FY 2014 and 256 in FY 2015. To fully fund the current JDT waitlist of 35 individuals, an additional \$793,800 would be needed over the biennium.

Mr. Winebarger asked whether the Subcommittees wished to approve the Governor's recommendation to increase funding by \$378,620 in FY 2014 and \$474,375 in FY 2015.

Chair Carlton affirmed that there was currently a waitlist of 35 individuals. Mr. Winebarger replied that was correct.

Assemblywoman Kirkpatrick said she would be willing to move to approve the Governor's recommendation, but in the future, she would prefer to have a breakdown of actual costs.

Senator Kieckhefer noted there was a bill in the Senate to review funding for the Jobs and Day Training program; it was an expensive program, but an important one for persons with disabilities.

ASSEMBLYWOMAN KIRKPATRICK MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO INCREASE FUNDING FOR THE JOBS AND DAY TRAINING PROGRAM BY \$378,620 IN FY 2014 AND \$474,375 in FY 2015.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Carlton asked the Subcommittees to review the other budget closing items recommended by the Governor for the Rural Regional Center's budget, which appeared reasonable to Fiscal Analysis Division staff:

1. Phone System. Decision unit Enhancement (E) 227 included General Fund appropriations of \$35,298 to purchase a new phone system for the Rural Regional Center's Carson City office, which would be shared with Rural Clinics. Fiscal staff recommended decreasing the amount by \$2,991 in FY 2014.
2. New and Replacement Equipment. Decision units E-710, E-711, and E-720 included General Fund appropriations of \$122,003 in FY 2014 and \$31,474 in FY 2015 for new and replacement computer hardware and software: 15 desktop and 19 laptop computers with software applications and accessories, 6 printers, 2 Ethernet 24-port switches, 1 workstation router, 1 server, and 1 LCD projector.

SENATOR SMITH MOVED TO APPROVE OTHER CLOSING ITEMS 1 AND 2 FOR THE RURAL REGIONAL CENTER AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE THE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**HUMAN SERVICES
AGING AND DISABILITY SERVICES
DESERT REGIONAL CENTER (101-3279)
BUDGET PAGE DHHS-ADSD-83**

Mark Winebarger, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, explained that there were three major closing issues in the Desert Regional Center budget account (BA) 3279.

1. Reorganization of Developmental Services Agencies

Mr. Winebarger said that the reorganization of developmental services agencies had been addressed when the Subcommittees approved the transfer of Developmental Services as part of the Governor's recommended reorganization of the Aging and Disability Services Division (ADSD). He said there were seven decision units in the Desert Regional Center budget account 3279 that should be approved by the Subcommittees to implement the reorganization.

Chair Carlton asked the Subcommittees to review the decision units recommended by the Governor as part of the reorganization of the Aging and Disability Services Division, which appeared reasonable to Fiscal Analysis staff:

- Cost Allocation. Decision unit Enhancement (E) 800 included a decrease in Medicaid Administration reimbursements of \$192,159 and elimination of the cost-allocation transfers to the Mental Health Information System account.

- Cost Allocation. Decision unit E-801 included a decrease in Medicaid Administration reimbursements of \$239,874 over the biennium and elimination of cost-allocation transfers to the Mental Health Administration account.
- Cost Allocation. Decision unit E-804 included an increase in General Fund appropriations of \$2,893,987 and Medicaid revenues of \$241,148 for cost-allocation transfers totaling \$3,135,135 over the biennium to ADSD.
- Position Reclassification. Decision unit E-805 recommended General Fund appropriations of \$9,920 over the biennium to fund the reclassification of a personnel analyst 1 position to a personnel analyst 2 because of changes in the incumbent's job duties; the reclassified position would transfer to ADSD in decision unit E-916.
- Position Transfers. Decision unit E-916 would transfer six positions (two information technology (IT) professionals 1, a personnel analyst 2, an IT technician 5, an IT technician 4, and a personnel technician 2 from the Desert Regional Center to ADSD.
- Position Transfers. Decision unit E-917 would transfer General Fund appropriations of \$9,684 over the biennium from the Desert Regional Center to the ADSD Administration account to purchase six computers and related software recommended in decision unit E-710. This transfer was related to the six positions recommended to be transferred to ADSD Administration.
- Position Transfer. Decision unit E-931 would transfer an information technology (IT) professional 3, an IT professional 2, and a personnel technician 2 from the Desert Regional Center to ADSD Administration, resulting in a transfer of \$329,801 in General Funds from Desert Regional Center to ADSD over the biennium.

Chair Carlton noted that the final determination of position reclassifications would be made by the Division of Human Resource Management of the Department of Administration.

SENATOR SMITH MOVED TO APPROVE THE SEVEN DECISION UNIT ITEMS RELATING TO THE TRANSFER OF DEVELOPMENTAL SERVICES TO THE ASD AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

Chair Carlton asked for questions or comments from the Subcommittees; there were none.

THE MOTION CARRIED UNANIMOUSLY.

2. Caseload Increases. Mr. Winebarger said the second major closing item for the Desert Regional Center involved caseload increases.

a. Caseload Management. According to the Center, an additional 41 new positions would be required over the biennium because of projected increases in the caseload. Twenty of the positions were developmental specialist 3 positions (service coordinators). He explained that although some developmental specialist 3 positions had smaller caseload ratios, most had a recommended caseload of 45 clients. Based on the average monthly caseload of 3,825 for fiscal year (FY) 2013, service coordinators currently maintained an average caseload of approximately 50 clients. Mr. Winebarger said the Governor recommended phasing in the positions as additional caseload was phased in.

Mr. Winebarger said the Desert Regional Center had provided updated projections, which indicated the increase in caseloads for FY 2014 would be greater than previously projected, while caseloads in 2015 were anticipated to increase at a slower pace. The revised caseload projections would result in an average developmental specialist-to-client ratio of 1:46 each year of the biennium. Mr. Winebarger said it appeared that the Desert Regional Center would be appropriately staffed if the three recommended developmental specialist 4 positions were approved.

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO ADD \$2 MILLION IN FY 2014 AND \$3.1 MILLION IN FY 2015 FOR 41 NEW POSITIONS TO SUPPORT CASE MANAGEMENT AT THE DESERT REGIONAL CENTER.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

b. Residential Services/Supported Living Arrangements. Mr. Winebarger said the Desert Regional Center budget involved an increase in funding for Residential Services/Supported Living Arrangements (SLA) to bring caseload to a monthly average of 1,178 clients in fiscal year (FY) 2014 and 1,264 in FY 2015. The Governor recommended additional expenditures of \$9.4 million over the biennium (\$4.6 million General Fund).

Mr. Winebarger said that based on updated projections provided by the Desert Regional Center, the caseload was increasing more than anticipated and the caseload mix had changed. New projections indicated that the number of persons receiving SLA services would increase to an average of 1,184 in FY 2014 and 1,271 in FY 2015. Based on the updated projections, the Budget Division submitted budget amendment A130023279 on April 8, 2013, which increased funding by a net \$176,480 in FY 2014 (\$88,579 General Fund) and a net \$211,358 in FY 2015 (\$103,921 General Fund). Mr. Winebarger said the amendment included a decrease in funding of \$110,963 each year of the biennium due to changes in caseload mixes.

Mr. Winebarger said to fully support the current Supported Living Arrangements waitlist of 168 individuals, an additional \$15.7 million would be needed over the 2013-2015 biennium (\$7.8 million General Fund).

Mr. Winebarger asked whether the Subcommittees wished to approve the Governor's recommendation to increase funding for Supported Living Arrangements by \$2.7 million in FY 2014 and \$6.7 million in FY 2015 and approve budget amendment A130023279, which would further increase funding by \$176,480 in FY 2014 and \$211,358 in FY 2015 over the amounts in The Executive Budget.

Chair Carlton asked for questions from the Subcommittees; hearing none, she called for a motion.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO INCREASE FUNDING FOR SUPPORTED LIVING ARRANGEMENTS BY \$2.7 MILLION IN FY 2014 AND \$6.7 MILLION IN FY 2015 AND TO APPROVE

BUDGET AMENDMENT A130023279 FOR ADDITIONAL FUNDING
OF \$176,480 IN FY 2014 AND \$211,358 IN FY 2015.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

c. Family Support/Respite. Mr. Winebarger explained that the Governor recommended \$93,630 for fiscal year (FY) 2014 and \$203,961 for FY 2015 to fund projected caseload growth for Family Support and Respite Services. The Aging and Disability Services Division's projections indicated that caseload would increase by 148 families during FY 2014 and 85 families in FY 2015. Although updated caseload projections indicated Desert Regional Center's overall caseload was increasing at a faster pace than originally projected, the Family Support and Respite Services caseload projections reflected a slight decline in the rate of increase. Mr. Winebarger said to reflect the caseload decreases, the Budget Division submitted budget amendment A130023279, reducing General Fund appropriations by \$13,140 over the biennium. However, the amendment also included an increase to General Fund appropriations of \$25,606 over the biennium because of expected increases in monthly payments to program participants.

Mr. Winebarger asked whether the Subcommittees wished to approve the Governor's recommendation to increase funding by \$93,630 in FY 2014 and \$203,961 in FY 2015 for Family Support and Respite Services and approve budget amendment A130023279, which would increase General Fund by an additional \$12,203 in FY 2014 and \$263 in FY 2015 over the amounts in The Executive Budget, based on an increase in the average monthly payment from \$84.47 to \$85.19 per family.

Chair Carlton asked for questions from the Subcommittees.

Senator Kieckhefer asked why the monthly payment increased \$.72 per month. Mr. Winebarger replied the increase was an average over all clients for the year.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE
GOVERNOR'S RECOMMENDATION TO INCREASE FUNDING
BY \$93,630 IN FY 2014 AND \$203,961 IN FY 2015 FOR
FAMILY SUPPORT AND RESPITE SERVICES AND APPROVE

BUDGET AMENDMENT A130023279, WHICH WOULD FURTHER INCREASE GENERAL FUND BY AN ADDITIONAL \$12,203 IN FY 2014 AND \$263 IN FY 2015.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

d. Jobs and Day Training. Mr. Winebarger explained that Desert Regional Center received funding for 1,541 Jobs and Day Training (JDT) slots in both years of the current biennium. The Governor recommended additional expenditures of \$6.7 million (\$3.85 million General Fund) that would allow the Center to provide services to a monthly average of 1,764 clients in fiscal year (FY) 2014 and 1,885 clients in FY 2015.

As previously discussed, Mr. Winebarger said updated caseload projections had been provided by the Center, which indicated that the FY 2014 caseload was increasing more quickly than anticipated, but it was expected to increase more slowly during FY 2015. The Budget Division submitted budget amendment A130023279, which increased JDT funding by \$365,712 in FY 2014 and decreased funding by \$76,995 in FY 2015. He said the budget amendment also included service cost increases, adding an additional \$324,606 each year of the biennium.

Mr. Winebarger said to fully fund the current JDT waitlist of 279 individuals at the Desert Regional Center, an additional \$6.7 million (\$3.8 million General Fund) would be needed over the biennium.

Mr. Winebarger asked whether the Subcommittees wished to approve increased funding of \$2.7 million in FY 2014 and \$4.1 million in FY 2015 and approve budget amendment A130023279, which would increase funding by a net \$690,318 in FY 2014 and \$247,611 in FY 2015 over the amount in The Executive Budget.

Chair Carlton asked for questions from the Subcommittees; there were none.

SENATOR KIECKHEFER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO INCREASE JOBS AND DAY TRAINING FUNDING OF \$2.7 MILLION IN FY 2014 AND \$4.1 MILLION IN FY 2015 AND TO APPROVE BUDGET AMENDMENT

A130023279, WHICH WOULD FURTHER INCREASE FUNDING BY
\$690,318 IN FY 2014 AND \$247,611 IN FY 2015.

ASSEMBLYMAN HORNE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

3. Intermediate Care Facility. Mr. Winebarger explained that to staff the 24-hour Intermediate Care Facility for the Intellectually Disabled (ICF/ID), the Governor recommended 10 new developmental support technician 3 positions and 1 mental health counselor 2 position. The Desert Regional Center currently had 69 authorized developmental support technician 3 positions to staff a 48-bed facility on the Desert Regional Center campus. According to the Center, clients with a single primary qualifying diagnosis required a 1:4 staff-to-client ratio, and dually diagnosed clients required a 1:2 staff-to-client ratio to ensure safety of clients and staff. Mr. Winebarger noted that currently 81 percent of the Center's clients were dually diagnosed. According to the Centers for Medicare and Medicaid Services, active treatment was directly affected by the number of staff available to provide basic supports, in addition to implementing treatment programs that often required one-on-one supervision.

Mr. Winebarger said to maintain adequate staffing ratios, the ICF/ID residential services employees worked 9,880 hours of overtime during FY 2012, at a cost of \$276,198, and FY 2013 to-date overtime was up to 13,515 hours.

Mr. Winebarger said that based on an expected 95 percent Medicaid eligibility rate, the Governor recommended General Fund appropriations of \$354,142 and Medicaid funds of \$547,479 for the 2013-2015 biennium. In addition to personnel costs, the Governor included \$25,100 for employee training.

Mr. Winebarger asked whether the Subcommittees wished to approve the Governor's recommendation for increased staffing and training in the Intermediate Care Facility for the Intellectually Disabled.

Chair Carlton asked for questions from the Subcommittees; hearing none, she called for a motion.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION FOR INCREASED STAFFING AND TRAINING IN THE INTERMEDIATE CARE FACILITY FOR THE INTELLECTUALLY DISABLED.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Carlton asked the Subcommittees to review the four other closing items recommended by the Governor for the Desert Regional Center budget account, which appeared reasonable to the Fiscal Analysis Division staff:

1. New and Replacement Equipment. Decision units Enhancement (E) 710 and E-720 included General Fund appropriations of \$182,501 in FY 2014 and \$134,338 in FY 2015 for new and replacement computer hardware, software, and equipment: 94 desktop and 11 laptop computers, various software applications and accessories, 6 servers, 14 printers, 2 golf carts, a riding lawnmower, 2 floor scrubbers, 2 LCD projectors, and teleconferencing equipment.
2. Motor Pool Vehicles. Decision unit E-711 replaced six agency-owned vehicles (a flatbed truck, a passenger van, and four 12-passenger vans) with vehicles from the Motor Pool Division. The Governor recommended General Funds of \$55,224 over the biennium to fund the rental costs of the six vehicles, and the agency would retain five agency-owned vehicles and have nine motor pool monthly rentals.
3. Position Reclassifications. Decision unit E-807 requested reclassification of an administrative assistant 2 position to an information technology (IT) technician 4 position and a business process analyst 2 position to an IT professional 2. The administrative assistant position had assumed the support of complex systems on multiple platforms, and the business process analyst's responsibilities had been revised to support the new electronic medical records and pharmacy information system.
4. Unclassified Position Reclassifications. Decision unit E-811 recommended moving the classified clinical program manager 3 position to the unclassified service as an agency manager.

Mr. Winebarger noted that the current clinical program manager 3 at Desert Regional Center was a grade 44, step 10, which was the same salary recommended by the Governor. Therefore, unless the salary was revised by the money committees, the decision unit had no fiscal impact.

Mr. Winebarger further explained that the Governor recommended that all Mental Health and Developmental Services Division classified clinical program manager 3 and hospital administrator positions move to the unclassified service. Although the Governor recommended a salary of \$98,497 for each position, Mr. Winebarger pointed out the money committees would make the policy decision regarding the recommendation and the salary amount. Fiscal staff requested authority to adjust the decision unit based upon the salary decision made for the agency manager positions.

SENATOR SMITH MOVED TO APPROVE OTHER CLOSING ITEMS
AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE
FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY
TECHNICAL ADJUSTMENTS.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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**HUMAN SERVICES
AGING AND DISABILITY SERVICES
SIERRA REGIONAL CENTER (101-3280)
BUDGET PAGE DHHS-ADSD-94**

Mark Winebarger, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, said there were two major closing issues in the Sierra Regional Center budget account (BA) 3280.

1. Reorganization of Developmental Services Agencies

Mr. Winebarger explained the first major closing issue, reorganization of developmental services agencies, had been addressed when the

Subcommittees approved the transfer of Developmental Services as part of the Governor's recommended reorganization of the Aging and Disability Services Division (ADSD). He said there were six decision units in the Sierra Regional Center budget account (BA) 3280 that should be approved by the Subcommittees to implement the reorganization. Mr. Winebarger said the decision units appeared reasonable to Fiscal Analysis Division staff.

- Cost Allocation. Decision unit Enhancement (E) 800 decreased General Fund appropriations by \$16,252 and Medicaid Administration revenues by \$55,144 and eliminated the cost-allocation transfers to the Mental Health Information System account totaling \$71,396 over the biennium.
- Cost Allocation. Decision unit E-801 decreased General Fund appropriations by \$89,124 over the biennium and eliminated the cost-allocation transfers to the Mental Health Administration account.
- Cost Allocation. Decision unit E-804 increased General Fund appropriations by \$595,069 and Medicaid Administration by \$55,144 for cost-allocation transfers totaling \$650,213 over the biennium to ADSD.
- Position Transfer. Decision unit E-906 transferred an information technology professional 2 position from Sierra Regional Center to Mental Health Information System budget account (BA) 3164, resulting in a transfer of \$166,291 in General Funds from Sierra Regional Center to the Mental Health Information System account over the biennium.
- Position Transfers. Decision unit E-918 transferred an information technician professional 2 position and a personnel technician 2 from Sierra Regional Center to the ADSD Administration account, resulting in a transfer of \$227,502 in General Fund appropriations from Sierra Regional Center to ADSD over the biennium.
- Position Transfer. Decision unit E-930 transferred a clinical program manager 2 position from Sierra Regional Center to Early Intervention Services, resulting in a transfer of \$157,308 in General Fund appropriations from Sierra Regional Center to Early Intervention Services over the biennium.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE DECISION UNITS E-800, E-801, E-804, E-906, E-918, AND E-930 AS RECOMMENDED BY THE GOVERNOR AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Horne was not present for the vote.)

2. Caseload Increases

a. Caseload Management. Mr. Winebarger said the Governor recommended an additional four (3.51 full-time-equivalent (FTE)) developmental specialist 3 positions to allow Sierra Regional Center to maintain a 1:45 staffing ratio for projected caseload increases. He said the fiscal year (FY) 2013 average actual caseload for each of the 25 developmental specialists was 47.8 clients through March 2013.

Mr. Winebarger said the updated caseload projections indicated that caseloads would increase over the 2013-2015 biennium at a slower pace than originally projected. Using the updated caseload numbers, it appeared that each developmental specialist (including the new positions) would maintain an average of 44.34 clients.

Mr. Winebarger asked whether the Subcommittees wished to approve the Governor's recommendation to add 3.51 FTE developmental specialist 3 positions for the Sierra Regional Center.

Chair Carlton asked for questions from the Subcommittees and hearing none, she called for a motion.

SENATOR KIECKHEFER MOVED TO APPROVE THE ADDITION OF 3.51 FTE DEVELOPMENTAL SPECIALIST 3 POSITIONS FOR THE SIERRA REGIONAL CENTER.

ASSEMBLYMAN BOBZIEN SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Smith and Assemblyman Horne were not present for the vote.)

b. Residential Services/Supported Living Arrangements. Mr. Winebarger explained the Governor recommended increases in Supported Living Arrangements (SLA) that would bring caseload funding in fiscal year (FY) 2014 to a monthly average of 639 clients and 668 clients in FY 2015. Based on the Governor's projected caseload increases, additional funds totaling \$716,450 in FY 2014 and \$1.8 million in FY 2015 were recommended.

Mr. Winebarger said that caseload was not increasing as fast as originally projected, reflecting an average caseload of 636 in FY 2014 and 652 in FY 2015. As a result, the Budget Division submitted budget amendment A130023280, which reduced SLA costs by \$127,985 in FY 2014 and \$629,919 in FY 2015. He said the revised caseload funding would allow the Sierra Regional Center to provide SLA services without maintaining a waitlist for the upcoming biennium.

Mr. Winebarger asked whether the Subcommittees wished to approve an increase in General Fund appropriations of \$716,450 in FY 2014 and \$1.8 million in FY 2015 and approve budget amendment A130023280, which would decrease funds by \$127,985 in FY 2014 and \$629,919 in FY 2015.

Chair Carlton asked for questions from the Subcommittees; there were none.

ASSEMBLYMAN KIRNER MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO INCREASE GENERAL FUND APPROPRIATIONS BY \$716,450 IN FY 2014 AND \$1.8 MILLION IN FY 2015 AND TO APPROVE BUDGET AMENDMENT A130023280, WHICH REDUCED SLA FUNDING BY \$127,985 IN FY 2014 AND \$629,919 IN FY 2015 .

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Senator Smith and Assemblyman Horne were not present for the vote.)

c. Family Support and Respite. Mr. Winebarger explained the Governor recommended General Fund appropriations totaling \$28,521 for Family Support and Respite Services to support increased caseloads to a monthly average of 387 in FY 2014 and 397 in FY 2015. Based on revised caseload projections, the Budget Division submitted budget amendment A130023280, which decreased General Fund appropriations by \$2,897 in FY 2014 and \$5,885 in FY 2015, reducing the funding recommendation to \$332,491 in FY 2014 and \$337,480 in FY 2015.

Mr. Winebarger asked whether the Subcommittees wished to approve decision unit M-200 as recommended by the Governor for Family Support/Respite and increase General Fund appropriations by \$10,272 in FY 2014 and \$18,249 in FY 2015 and approve budget amendment A130023280, which decreased General Funds by \$2,897 in FY 2014 and \$5,885 in FY 2015, for a net increase of \$19,739 over the 2013-2015 biennium.

Chair Carlton asked for questions from the Subcommittees and hearing none, she called for a motion.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO INCREASE GENERAL FUND APPROPRIATIONS BY \$10,272 IN FY 2014 AND \$18,249 IN FY 2015 FOR FAMILY SUPPORT AND RESPITE SERVICES AND APPROVE BUDGET AMENDMENT A130023280, WHICH DECREASED GENERAL FUND APPROPRIATIONS BY \$2,897 IN FY 2014 AND \$5,885 IN FY 2015.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED. (Assemblyman Horne was not present for the vote.)

d. Jobs and Day Training. Mr. Winebarger explained the Sierra Regional Center was approved for 445 slots for Jobs and Day Training (JDT) in both years of the current biennium. The Governor recommended additional funding of \$170,055 in FY 2014 and \$428,062 in FY 2015 to allow the Center to provide services to an average of 460 clients in FY 2014 and 483 clients in FY 2015. However, because caseloads were increasing slower than projected, the Budget Division submitted budget amendment A130023280 to reduce JDT funding by \$33,612 in FY 2014 and \$125,284 in FY 2015.

Mr. Winebarger pointed out that the budget amendment could result in an average waitlist of 28 in FY 2014 and 26 in FY 2015. Currently, there were 57 individuals on the waitlist at Sierra Regional Center, and an additional \$1.3 million (\$804,872 General Fund) would be needed over the biennium to fully fund the waitlist.

Mr. Winebarger asked whether the Subcommittees wished to approve decision unit M-200 as recommended by the Governor and increase appropriations by \$170,055 in FY 2014 and \$428,062 in FY 2015 and approve budget amendment A130023280, which would result in a net increase in funding of \$136,443 in FY 2014 and \$302,778 in FY 2015.

Chair Carlton noted that the budget amendment decreased funding, but there was an overall net increase, and there would still be a waitlist. She asked for questions from the Subcommittees; there were none.

ASSEMBLYMAN BOBZIEN MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO INCREASE GENERAL FUND APPROPRIATIONS BY \$170,055 IN FY 2014 AND \$428,062 IN FY 2015 FOR JOBS AND DAY TRAINING, AND TO APPROVE BUDGET AMENDMENT A130023280, WHICH REDUCED JDT FUNDING BY \$33,612 IN FY 2014 AND \$125,284 IN FY 2015.

SENATOR SMITH SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

Chair Carlton asked the Subcommittees to review three other closing items recommended by the Governor for the Sierra Regional Center budget, which Fiscal staff found to be reasonable:

1. New and Replacement Equipment. Decision units Enhancement (E) 710 and E-720 included General Fund appropriations of \$186,152 in FY 2014 and \$59,267 in FY 2015 to fund new and replacement computer hardware and software: 51 desktop and 17 laptop computers, various software applications and accessories, 6 printers, 2 Ethernet 24-port switches, a Cisco router, 2 servers, 3 LCD projectors, and a videoconferencing system.

2. Position Reclassifications. Decision unit E-805 included General Fund appropriations of \$10,798 over the biennium to reclassify two business process analyst 2 positions to information technology professional 2 positions. One position would transfer to the Mental Health Information System account, and one would transfer to the ADSD Federal Programs and Administration account.

3. Unclassified Position Reclassifications. Decision unit E-811 would move the clinical program manager 3 position to the unclassified service as an agency manager. Based on the Governor's recommended salary of \$98,497, an additional \$7,638 in General Fund appropriation would be required over the 2013-2015 biennium.

Mr. Winebarger explained that the Governor recommended that all Mental Health and Developmental Services classified clinical program manager 3 and hospital administrator positions move to the unclassified service. Although the Governor recommended a salary of \$98,497 for each position, Mr. Winebarger pointed out the money committees would make the policy decision regarding the recommendation and the salary amount. Fiscal staff requested authority to adjust the decision unit based upon the salary decision made for the agency manager position.

Mr. Winebarger asked whether the Subcommittees wished to approve the Governor's recommendations for other closing items, with adjustments as recommended by Fiscal staff, and authorize Fiscal staff to make technical adjustments as necessary.

ASSEMBLYMAN BOBZIEN MOVED TO APPROVE OTHER CLOSING ITEMS 1, 2, AND 3 AS RECOMMENDED BY THE GOVERNOR WITH ADJUSTMENTS RECOMMENDED BY FISCAL STAFF AND TO AUTHORIZE FISCAL ANALYSIS DIVISION STAFF TO MAKE NECESSARY TECHNICAL ADJUSTMENTS.

SENATOR PARKS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED.

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Chair Carlton announced that the Subcommittees needed to close the budget for the Southern Nevada Adult Mental Health Services budget, which Assemblyman Horne had requested be held from a previous meeting.

HUMAN SERVICES
BEHAVIORAL HEALTH
SO NV ADULT MENTAL HEALTH SERVICES (101-3161)
BUDGET PAGE DHHS-BEHAVIORAL HLTH-11

Michael J. Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, recalled that the Subcommittees had heard the Southern Nevada Adult Mental Health Services (SNAMHS) budget on April 23, 2013, and most of the budget had been closed at that meeting, with the exception of Enhancement (E) decision units E-226 and E-227.

Mr. Chapman explained decision units E-226 and E-227 involved the Governor's recommendation to close the Las Vegas downtown outpatient clinic and transition the services to the SNAMHS main campus on West Charleston Avenue. He said additional cost savings would be realized by closing the clinic, which would fund two senior psychiatrist positions and two accounting assistants to help with increased caseload and operating hours at the West Charleston Avenue campus.

In decision unit E-227, Mr. Chapman said the Governor recommended additional funding of \$300,000 each year of the biennium to enable SNAMHS to obtain additional contract psychiatric services for the urgent-care facility.

Mr. Chapman said the recommendation was premised upon transitioning services to the West Charleston campus and developing an urgent-care facility on that campus that would operate 24 hours a day, 7 days a week by March 2015.

Mr. Chapman recalled that at the previous meeting, members expressed concerns with transitioning clients from the existing downtown clinic to other service locations in the Las Vegas area.

Assemblyman Horne asked Dr. Tracey Green to approach the testimony table. He asked her to review a discussion he had held with her concerning how the transition could be accomplished over a gradual period of time.

Tracey Green, M.D., Statewide Medical Program Coordinator, Division of Mental Health and Developmental Services, and State Health Officer, Health Division, Department of Health and Human Services, explained that a small staff would be retained at the Las Vegas Downtown clinic for six months. The staff would be available to receive walk-in clients needing services, with the intent that they would then be referred to appropriate service location clinics in the districts or regions where they lived.

Dr. Green said a report would be submitted to the interim Legislative Committee on Health Care at the end of the six-month period with data concerning clients and the further retention of services.

Assemblyman Horne said he was satisfied with the solution offered by Dr. Green.

Chair Carlton asked for questions from the Subcommittees; there were none.

ASSEMBLYMAN HORNE MOVED TO APPROVE DECISION UNIT E-226 TO CLOSE THE SNAMHS LAS VEGAS DOWNTOWN CLINIC, WITH THE UNDERSTANDING THAT CLIENTS WOULD BE TRANSITIONED TO OTHER SERVICES WITHIN THE LAS VEGAS AREA DURING A SIX-MONTH PERIOD AS THE FACILITY CLOSED DOWN, AND TO APPROVE DECISION UNIT E-227 TO PROVIDE ADDITIONAL FUNDING OF \$600,000 OVER THE 2013-2015 BIENNIUM TO ENABLE SNAMHS TO OBTAIN ADDITIONAL CONTRACT PSYCHIATRIC SERVICES.

SENATOR KIECKHEFER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

BUDGET CLOSED

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Chair Carlton called for public comment.

Barry Gold, Director of Government Relations, AARP Nevada, said AARP appreciated the Subcommittees' concerns with the [Aging and Disability Services] consolidation and how it would impact services for all ages and all

cohorts and that it would be monitored. He said the advocacy groups would also be ensuring that their clients were being served and that the consolidation would be completed correctly.

Mr. Gold said AARP was grateful that the waivers for the Home and Community Based Services (HCBS) were being increased by 117 slots; it was the first increase in some time. However, he noted that the agency had testified that the increase in waiver slots would not significantly impact the HCBS waitlist or wait-times. There would still be 240 clients on the waitlist even with the addition of the 117 slots.

Mr. Gold noted that he had heard a lot of discussion about clearing the waitlists for other programs, but there was no discussion on the elderly and the HCBS waitlist, which was a concern. By definition, the clients were all nursing-home level of care and could enter a nursing home at a substantial increase in cost, but that was not where they wanted to go. He pointed out that the consolidation of the Aging and Disability Services Division, Aging was the first name in the division, and he urged that the aging population not be left behind in the consolidation process. He thanked the Subcommittees for their time.

Keith Uriarte, representing American Federation of State, County and Municipal Employees (AFSCME) Local 4041, thanked the Subcommittees for their actions on the Nevada Early Intervention Services program.

Brian Patchett, President/CEO, Easter Seals Nevada, said he appreciated the deliberations of the Subcommittees and the positive actions taken, especially those for persons with developmental disabilities through the regional centers. He looked forward to the success of Early Intervention Services, although he respectfully disagreed with the decision.

Mr. Patchett suggested that the Legislature consider forming an interim committee on disabilities to review the whole process over the next two years. He thanked the Subcommittees for their time.

Chair Carlton requested that the following documents be included as part of the record: [Exhibit C](#), letter from Mr. Patchett expressing Easter Seals Nevada's support of consolidating services for persons with disabilities, and [Exhibit D](#), Easter Seals Nevada's position statement on Early Intervention Services.

Assembly Committee on Ways and Means
Subcommittee on Human Services
Senate Committee on Finance
Subcommittee on Human Services
May 3, 2013
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Chair Carlton asked for further public comment and hearing none,
she adjourned the meeting at 11:05 a.m.

RESPECTFULLY SUBMITTED:

Sherie Silva
Committee Secretary

APPROVED BY:

Assemblywoman Maggie Carlton, Chair

DATE: _____

Senator Debbie Smith, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Ways and Means

Date: May 3, 2013

Time of Meeting: 8:28 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Brian Patchett, President/CEO Easter Seals Nevada	Letter of support for consolidation of services for persons with disabilities
	D	Brian Patchett, President/CEO, and Sam Lieberman, Easter Seals Nevada	Support Letter for Early Intervention Services