

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

**Seventy-ninth Session
May 3, 2017**

The joint meeting of the Subcommittees on Human Services of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Moises Denis at 8:14 a.m. on Wednesday, May 3, 2017, in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Moises Denis, Chair
Senator Joyce Woodhouse
Senator Ben Kieckhefer

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblyman Michael C. Sprinkle, Chair
Assemblywoman Maggie Carlton, Vice Chair
Assemblyman Paul Anderson
Assemblyman Nelson Araujo
Assemblywoman Irene Bustamante Adams
Assemblyman Jason Frierson
Assemblyman James Oscarson
Assemblywoman Robin L. Titus

STAFF MEMBERS PRESENT:

Alex Haartz, Principal Deputy Fiscal Analyst
Cindy Jones, Assembly Fiscal Analyst
Karen Hoppe, Senior Program Analyst
Cindy Clampitt, Committee Secretary
Colby Nichols, Committee Secretary

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OTHERS PRESENT:

Kelly Wooldridge, Administrator, Division of Child and Family Services, Nevada
Department of Health and Human Services

CHAIR DENIS:

I call this joint meeting of the Subcommittees on Human Services to order. Today we will be considering budget accounts within the Department of Health and Human Services (DHHS), Division of Child and Family Services (DCFS).

KAREN HOPPE (Senior Program Analyst, Fiscal Division, Legislative Counsel Bureau):

We will hear ten budgets today. Four are Fiscal staff-closed budgets that have not been previously heard by the Subcommittees. The other six budgets were heard previously at a budget hearing.

We will begin with budget account (B/A) 101-3145 for the Children, Youth and Family Administration. This budget's information begins on page 3 of today's closing list ([Exhibit C](#)).

HHS-DCFS - Children, Youth & Family Administration — Budget Page DHHS-DCFS-6 (Volume II)
Budget Account 101-3145

There is one major closing issue for this budget. The information regarding it starts on page 4 of [Exhibit C](#). The closing issue is the recommendation for increased core training for social workers. This is decision unit M-529.

M-529 Mandate - Core Training — Page DHHS-DCFS-11

The Governor recommends increasing the expenditure authority for existing mandated Statewide core training for social workers that is provided by the University of Nevada, Reno (UNR) and the University of Nevada, Las Vegas (UNLV). The recommendation would be funded with federal Title IV-E revenues of \$5 million over the 2017-2019 biennium.

The Agency has indicated that budgeting for this training has been inadequate based on the required volume of work. Table 1 on page 4 of [Exhibit C](#) shows a history of the actual expenditures for this training at both UNR and at UNLV going back to fiscal year (FY) 2009-2010.

Both universities submitted a budget for the 2017-2019 biennium that would cover the costs of the training requested. Those costs are shown on Table 2 on page 4 of [Exhibit C](#).

The Division indicated at the budget hearing on March 9 that this training is intended for current child welfare staff of DCFS, the Clark County Department of Family Services and the Washoe County Department of Social Services.

The UNR does provide a stipend to students who are willing to make a commitment to work full-time in a county or State child welfare agency. They provide the stipend to students while they are finishing their last semester of school. Staff would note that UNLV previously had a stipend program. That program was not considered effective and was discontinued.

The Division has indicated that enrollment estimates will vary based on employee turnover at county and State levels. With the recommended increase in cost for these programs, the training programs would be expanded by developing a learning management system that would enable staff to register online and allow for additional online training.

In addition, the universities would develop and deliver additional supervisor and leadership specialty training to the management teams in order to provide more opportunity for coaching and mentoring. There would also be an increase in funding for advanced and specialty classes, such as prevention of human trafficking, suicide training, medication administration training and others.

Fiscal staff has made a technical adjustment to decrease M-529 by \$799,487 for each year of the 2017-2019 biennium to recognize funding already included in the base year for this purpose. With this adjustment, the budget is funded for the total university training contract costs as noted on Table 2 from page 4 of [Exhibit C](#); the Agency has concurred with this adjustment.

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Do the Subcommittees wish to approve additional federal Title IV-E revenues of \$3.4 million, as adjusted, thereby increasing the expenditure authority for the 2017-2019 biennium to a total of \$5 million for existing mandated Statewide core training for social workers?

ASSEMBLYWOMAN BUSTAMANTE-ADAMS:

My question regards table 2 on page 4 of [Exhibit C](#). Is there a reason why UNLV has not put any money in the community engagement category?

MS. HOPPE:

Staff is not aware of the exact reason for that. I would note that these are the budgets that were submitted by each university.

ASSEMBLYWOMAN BUSTAMANTE-ADAMS:

I am concerned that the larger population is in the South and that no money is being associated with community engagement. UNLV's budget is almost twice as much as UNR's. I am curious why UNLV put their budget together that way since the need for social workers is very prevalent in the southern portions of the State.

CHAIR DENIS:

I think we will be discussing certain internships later on today. Perhaps that will offer some clarification. I know with those internships, UNLV had stopped offering them because they were not having any success with them. The stipends were not retaining social workers in the way they were intended to do. I wonder if something similar is the case here.

MS. HOPPE:

The stipends are reflected in the first row of table 2 from page 4 of [Exhibit C](#). The Subcommittees will see that UNLV does not spend any money on stipends. Each university submitted their training categorizations for their budgets. It may be that community engagement is rolled up in another line item. Staff may not be aware of that if it is the case.

CHAIR DENIS:

I thought part of the reason was that they were having issues retaining interns.

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ASSEMBLYWOMAN TITUS:

I am curious if the programs are full. Community engagement and spreading awareness of these programs do not make sense if the programs are already full to capacity.

If the programs are not full, and there is no money spent on community engagement, I think that is a serious problem. I agree with Assemblywoman Bustamante-Adams. We need social workers, and there is a lack of them currently.

If the programs are full, that is great. If not, we need to look into this.

KELLY WOOLDRIDGE (Administrator, Division of Child and Family Services, Nevada Department of Health and Human Services):

I am looking at UNLV's contract right now. It appears that community engagement is rolled up into all the other activities. They do have community engagement efforts. The one thing they do not have is the stipend program.

CHAIR DENIS:

Why do they not use the stipend program?

MS. WOOLDRIDGE:

My understanding is that they stopped doing the stipends because the stipends include a requirement for students to work for a State or county agency upon graduation.

The students were having a difficult time being hired by the agencies at that time. We can look into starting the stipend program back up. The decision to stop using it was made a couple of years ago.

CHAIR DENIS:

The answer is two-pronged. The first is that there is community engagement; it is just listed as a part of other categorical expenditures. The second prong is that the stipend program was not achieving the desired results.

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ASSEMBLYWOMAN BUSTAMANTE-ADAMS:

Did the agencies not want to hire the students? Alternatively, was the issue that students did not want to work for the agencies?

Ms. WOOLDRIDGE:

I believe it was a little bit of both.

ASSEMBLYMAN SPRINKLE:

This is required training for current social workers. The stipend was just for those who were finishing their education. Either way, I think the Governor's recommendation is appropriate.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE IN B/A 101-3145 THE GOVERNOR'S RECOMMENDATION TO APPROVE ADDITIONAL FEDERAL TITLE IV-E REVENUES OF \$3.4 MILLION, AS ADJUSTED, AND TO INCREASE THE EXPENDITURE AUTHORITY FOR THE 2017-2019 BIENNIUM TO A TOTAL OF \$5 MILLION FOR EXISTING MANDATED STATEWIDE CORE TRAINING FOR SOCIAL WORKERS.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN ANDERSON AND FRIERSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HOPPE:

There are four other closing items for B/A 101-3145. They can be found listed beginning on page 5 of [Exhibit C](#). Staff has identified one technical adjustment, which is listed as other closing item 1 on page 5 of [Exhibit C](#). Other closing items 2, 3 and 4 are Governor-recommended items that appear reasonable to Staff.

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Other closing item 2 is decision unit E-225.

E-225 Efficient and Responsive State Government — Page DHHS-DCFS-11

Other closing item 3 is decision unit E-710.

E-710 Equipment Replacement — Page DHHS-DCFS-12

Other closing item 4 is position transfers that include decision units E-500, E-900, E-901, E-902, E-903 and E-904.

E-500 Adjustments To Transfers — Page DHHS-DCFS-12

E-900 Transfer From BA 3281 To BA 3145 — Page DHHS-DCFS-12

E-901 Transfer From BA 3145 To BA 3263 — Page DHHS-DCFS-13

E-902 Transfer From BA 3145 To BA 3281 — Page DHHS-DCFS-13

E-903 Transfer From BA 3145 To BA 3229 — Page DHHS-DCFS-14

E-904 Transfer From BA 3145 To BA 1383 — Page DHHS-DCFS-14

Fiscal staff recommends that other closing items be closed as recommended by the Governor, with the technical adjustment made by Staff in other closing item 1, and requests authority for Staff to make other technical adjustments as needed.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE OTHER CLOSING ITEMS 1, 2, 3 AND 4 FOR B/A 101-3145 WITH THE TECHNICAL ADJUSTMENT NOTED FOR OTHER CLOSING ITEM 1 AND TO GRANT AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN ANDERSON AND FRIERSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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MS. HOPPE:

The next budget up for discussion today is B/A 101-3181 for the Victims of Domestic Violence program. This budget begins on page 7 of [Exhibit C](#).

HHS-DCFS - Victims of Domestic Violence — Budget Page DHHS-DCFS-18
(Volume II)
Budget Account 101-3181

This is the first of the four Staff-closed budgets that have not been previously heard by the Subcommittees. Staff is responsible for developing closing recommendations for this budget.

This budget has no major closing issues. There is one other closing item, which is listed on page 8 of [Exhibit C](#). This is a technical adjustment made by Staff to correct the balance forward amount in this account between years.

Fiscal staff recommends this budget be closed as recommended by the Governor, with the technical adjustment noted, and with the authority for Staff to make other technical adjustments as necessary.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATIONS FOR B/A 101-3181 WITH THE NOTED BASE BUDGET TECHNICAL ADJUSTMENT AND TO GRANT FISCAL STAFF AUTHORITY TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN ANDERSON AND FRIERSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HOPPE:

The next budget is B/A 101-3143 for the Statewide Automated Child Welfare Information System (SACWIS), which is now referred to as the Unified Nevada Information Technology for Youth (UNITY). This budget's information begins on page 9 of [Exhibit C](#).

HHS-DCFS - UNITY/SACWIS — Budget Page DHHS-DCFS-20 (Volume II)
Budget Account 101-3143

This is the Information Technology (IT) budget for the Division. There is one major closing issue, which is listed at the top of page 10 of [Exhibit C](#). This is for the conversion of the UNITY system from SACWIS to a Comprehensive Child Welfare Information System (CCWIS), decision unit E-225.

E-225 Efficient and Responsive State Government — Page DHHS-DCFS-23

The Governor recommends converting the existing UNITY computer application from SACWIS to CCWIS in order to continue to receive federal Title IV-E funding. The request includes an additional 60 hours per week of Master Services Agreement contract IT staffing, with total recommended funding of \$592,800 over the 2017-2019 biennium.

The SACWIS regulations have been in place since the early 1990s and federal matching funds under that program have been available to cover 50 percent of the operational costs. A system conversion from SACWIS to CCWIS is recommended because the federal guidelines and funding structures have changed. The federal Administration for Children and Families released a new regulation, effective August 1, 2016 that replaces the SACWIS requirements.

Adopting the CCWIS regulations is optional for states. However, the Agency indicated that it is in the State's best interest for DCFS to convert in terms of functionality and funding structure.

The federal funding structure for child welfare information systems will operate under a different model effective August 1, 2018. The Agency indicates that the amount of federal Title IV-E funding could potentially be at risk if UNITY were not converted to a CCWIS system.

If the State opts into the CCWIS regulations, the reimbursement rate would remain at 50 percent. If the State opts out of the regulations, the reimbursement rate of 50 percent would be reduced by the Title IV-E eligibility ratio.

Staff asked the Agency to estimate the loss of Title IV-E revenues if Nevada does not comply with the CCWIS regulations. Based on a preliminary guidance from the federal government that looks at costs only in this budget, and not administrative costs across all three child welfare accounts, the estimated loss of revenues over the 2017-2019 biennium would be \$2 million. This would require additional General Fund appropriations of \$2 million to cover this budget's costs.

The CCWIS regulations emphasize meeting an agency's specific needs, specifically in the areas of data sharing and data quality. The guidelines require bidirectional data exchanges and would add new data exchanges with education agencies, the courts and Medicaid claims processing systems. Converting the existing SACWIS would require additional technical expertise beyond the capacity currently available in-house.

Along with DCFS staff, the Master Service Agreement contractors would be used to modify UNITY to become CCWIS compliant, especially in the area of bidirectional data exchanges. The Agency indicated during the budget hearing that the conversion project would not be completed during the 2017-2019 biennium. They would take a modular approach over time. Schedules and budgets concerning the overall conversion are unknown at this time.

The Agency indicated there would be benefits to the users of the system after the CCWIS conversion. Users would not have to externally consult certain sources as they do now, because the data would already be available via UNITY and bidirectional data exchanges, which would allow for improved access to information with less time spent on data lookup and data entry. The Agency also noted that user training would be done in-house by the two existing trainers already on staff.

Do the Subcommittees wish to approve total funding of \$592,800, of which \$334,576 would come from the General Fund, over the 2017-2019 biennium to

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convert the UNITY system from SACWIS to CCWIS as recommended by the Governor?

CHAIR DENIS:

I know we had a lot of discussion when we heard that presentation. It would appear that this is necessary or else we will lose money at some point. I think that we will get more money out of this than what we put in. Especially with the added module, we end up with a system that will allow the Agency to provide some additional functionality to users. I support that.

SENATOR KIECKHEFER:

In the middle of page 11 of [Exhibit C](#) it is specifically highlighted that this project is still in the planning phase and that the schedules and budgets for this are currently unknown. What is the total rollout time for this? Will this be a major technology improvement request (TIR) project that will be coming forward in subsequent biennia?

MS. HOPPE:

The Agency indicated that there is no timeline for this project's completion. The federal deadline is for declaring the intention of the State to go forward with the conversion. They indicated that the plan was to build this slowly over time with a modular approach that uses available funds rather than asking for one large TIR project.

CHAIR DENIS:

I had asked something similar during the budget hearing. The module pieces can be completed separately. Users can utilize new modules simultaneously with the old system.

ASSEMBLYMAN SPRINKLE:

When you look at this purely from the numbers, \$334,576 is a lot less than \$2 million. This seems like an obvious decision to me.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S
RECOMMENDATION FOR TOTAL FUNDING OF \$592,800, OF WHICH
\$334,576 WILL COME FROM THE GENERAL FUND, OVER THE

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2017-2019 BIENNIUM TO CONVERT THE UNITY SYSTEM FROM
SACWIS TO CCWIS.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN ANDERSON AND
FRIERSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HOPPE:

Staff has identified four other closing items within this budget. They are listed on pages 11 and 12 of [Exhibit C](#). The first is E-671 for a salary adjustment for IT positions.

E-671 Salary Adjustment For 2017-2019 Biennium — Page DHHS-DCFS-23

This will be a Statewide decision unit later in the process. Other closing items 2, 3 and 4 appear reasonable to Staff. Other closing item 2 is decision units E-710 and E-711.

E-710 Equipment Replacement — Page DHHS-DCFS-24

E-711 Equipment Replacement — Page DHHS-DCFS-24

Other closing item 3 is decision unit E-720.

E-720 New Equipment — Page DHHS-DCFS-25

Other closing item 4 is decision units E-500 and E-900.

E-500 Adjustment To Transfers — Page DHHS-DCFS-23

E-900 Transfer From BA 3148 To BA 3143 — Page DHHS-DCFS-25

Do the Subcommittees wish to approve other closing items 2, 3 and 4 as recommended by the Governor, excluding other closing item 1, which will be

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determined at a later date, and grant Fiscal staff authority to make technical adjustments as necessary?

SENATOR WOODHOUSE MOVED TO APPROVE OTHER CLOSING ITEMS 2, 3 AND 4 FOR B/A 101-3143 AS RECOMMENDED BY THE GOVERNOR AND PROVIDE FISCAL STAFF AUTHORITY TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN OSCARSON SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN ANDERSON AND FRIERSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED UNANIMOUSLY.

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Ms. HOPPE:

The next budget for discussion today is B/A 101-3141 for Washoe County Child Welfare. The information for this budget can be found beginning on page 13 of [Exhibit C](#).

HHS-DCFS - WASHOE County Child Welfare — Budget Page DHHS-DCFS-28
(Volume II)

Budget Account 101-3141

Staff would note that a discussion of specialized foster care for all agencies was held during both the budget hearing and the work session for this budget. For this budget, Staff has noted that testimony had been given that indicated the Washoe County Department of Social Services implemented the specialized foster care (SFC) program as approved by the 2015 Legislature. Information regarding this can be found under the additional information heading on page 14 of [Exhibit C](#).

The only major closing issue in this budget regards the adoption subsidy caseload growth. This is decision units M-200 and M-201, and the information regarding these two decision units can be found on page 14 of [Exhibit C](#).

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M-200 Demographics/Caseload Changes — Page DHHS-DCFS-29
M-201 Demographics/Caseload Changes — Page DHHS-DCFS-29

Through the combination of these two decision units, the Governor recommends caseload increases in adoption subsidies. This is based on FY 2015-2016's actual growth rate of 3.81 percent. The Governor recommends funding of \$1.5 million over the 2017-2019 biennium. The table on page 14 of [Exhibit C](#) summarizes the caseload changes.

This budget is implemented through a block grant. However, this budget also provides for a categorical grant for the cost of adoption assistance subsidies. Unlike the block grant, the categorical grant is eligible for caseload growth, and any unspent monies are required to revert to the General Fund.

The Division submitted a new caseload projection on March 31 that would nominally increase adoption subsidy payments by \$13,070 over the 2017-2019 biennium. Fiscal staff has included this technical adjustment in the information regarding this budget in [Exhibit C](#). With this adjustment, these decision units appear reasonable.

Because funding to the urban counties is provided through a block grant, the 2015 Legislature approved back language for inclusion in the Appropriations Act providing that amounts appropriated to the Washoe County and Clark County Child Welfare budget are limits, except that the Division may request additional sums for the adoption assistance categorical grant. Fiscal staff would recommend the inclusion of similar back language in the 2017 Appropriations Act.

Do the Subcommittees wish to approve the adoption subsidy caseload growth, as adjusted, and include back language in the Appropriations Act that provides that amounts appropriated to the Washoe County and Clark County Child Welfare are limits, except that the Division may request additional sums for the adoption assistance categorical grant?

SENATOR KIECKHEFER MOVED TO APPROVE THE ADOPTION SUBSIDY CASELOAD GROWTH FOR B/A 101-3141 WITH THE TECHNICAL ADJUSTMENT NOTED AND TO INCLUDE BACK LANGUAGE IN THE

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APPROPRIATIONS ACT THAT PROVIDES THAT THE AMOUNTS APPROPRIATED TO THE WASHOE COUNTY AND CLARK COUNTY CHILD WELFARE BUDGETS ARE LIMITS, EXCEPT THE DIVISION MAY REQUEST ADDITIONAL MONIES FOR THE ADOPTION ASSISTANCE CATEGORICAL GRANT.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN ANDERSON AND FRIERSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED

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Ms. HOPPE:

The next budget for today's hearing is B/A 101-3142 for Clark County Child Welfare. The information regarding this account begins on page 17 of [Exhibit C](#).

HHS-DCFS - Clark County Child Welfare — Budget Page DHHS-DCFS-31
(Volume II)
Budget Account 101-3142

Fiscal staff would note that some of the elements discussed here are Statewide but are elaborated upon here for the Subcommittees' convenience. The 2015 Legislature approved the full implementation of the SFC program in the 2015-2017 biennium for all three child welfare agencies, after these agencies reported positive results from the SFC pilot program that began in FY 2012-2013.

Specialized foster care is full-time foster care and services for children who require special care for physical, mental or emotional issues. Each of these three child welfare agencies requested the resources deemed necessary to support full implementation of the SFC program in their jurisdiction, which the 2015 Legislature approved.

During the work session that took place on April 21, the Subcommittees discussed a comparison of the SFC amounts approved by the 2015 Legislature for each of the child welfare agencies. Staff would note that there are inherent limitations in comparing programs that cut across these agencies because they do have different jurisdictions and needs. The results of that comparison can be found in the table on page 18 of [Exhibit C](#).

Each agency asked for, and was approved for, eight new employees. The costs for those employees are listed in the first row of the table on page 18 of [Exhibit C](#). Washoe and Clark counties requested higher provider rates, which are shown on the third row of the table. The rural region did not ask for higher rates during the 2015 Session. The total costs approved for FY 2016-2017 for each of the agencies are listed on row 5 of that table.

Two years ago, the population that was projected by each jurisdiction is shown on row 6 of the table. That totals to 136 youth for Washoe County, 395 youth for Clark County and 40 for the rural region. The cost per child based on those projections is listed on row 7 of the table. Fiscal staff has updated this table since the work session two weeks ago to add a recent population count, the results of which are listed on row 8 of the table. This count represents a point in time, and may not be typical for the entire year. The last row of the table shows the cost per child based on the actual population.

During the March 9 budget hearing, there were numerous references to Advanced Foster Care (AFC), a term that was not used during the 2015 Session. Staff sought clarification from the Division about the current terminology and practice for the SFC program. There is a summary of these two terms at the top of page 19 of [Exhibit C](#).

The AFC homes are licensed as regular family foster care homes that have been trained by child welfare agency employees that were approved by the 2015 Legislature in best practices in clinical and case management services.

The SFC homes are family foster care homes that are generally contracted with, and under the umbrella of, a foster care agency. These homes are responsible for coordinating and providing therapeutic services to the youth in their care because they receive a higher provider rate than AFC homes. Both AFC and SFC

homes participate in the required data collection and evaluation process that was mandated by S.B. No. 107 of the 78th Session.

Staff has provided the current foster care daily rates for each of the three child welfare agencies in a table found on page 19 of [Exhibit C](#). Family foster home rates range, based on the age of the youth, from approximately \$22 to \$30 per day. The rates for AFC homes range from \$40 to \$50.02 per day. The rates for SFC homes range from \$62 to \$125 per day.

One of the principles from the pilot program carried into the full implementation of the SFC program was that higher provider rates were approved due to the billing for basic skills training (BST) services would no longer be an option. Even though, in FY 2015-2016, Clark County indicated that it would be using the tiered rates proposed in the 78th Session, they instead asked permission from the Division for SFC providers to continue to bill for BST so they could meet the \$115 daily rate being used in Washoe County and the rural region.

The Division indicated that permission was granted to Clark County because providers reported that if they could not bill for BST, they would go out of business. The DCFS made the decision to keep children safe and in a stable living environment. Staff would note that the 2015 Legislature approved only incremental costs necessary for the implementation of this program since costs of regular foster care was already included in the base budget.

Clark County did confirm in 2015 that the higher provider rates approved by the 2015 Legislature represented the incremental costs necessary to implement the tier levels requested. Those tier levels are presented for the Subcommittees' review in a table at the top of page 20 of [Exhibit C](#). The estimated SFC population is provided in the first row of that table. The percentage of the population at each tier level is represented in the second column from the left of that table. Staff would note that \$100 per day is listed as the rate for Level 6 care, no funding was actually requested for that tier level.

During the March budget hearing, Clark County indicated there had been an error in the amounts requested in the tiered rates. After Staff inquired as to the nature of the error, Clark County concluded the error was in the number of

children requested at each level, and the county did not have enough funding to implement the \$115 rate that Washoe County utilized.

Clark County indicated that it intends to implement a comprehensive program implementing AFC homes and SFC homes similar to Washoe County's program, and that the funding approved by the 2015 Legislature can support AFC homes at \$50 per day and SFC homes at \$62 per day. The Clark County Division of Family Services (CCDFS) Acting Director confirmed at the work session hearing, and in follow-up correspondence, that as of June 30, 2017, Clark County providers will no longer be able to bill BST as they currently do. Instead, beginning in July 1, BST will only be authorized for youth in the SFC agencies if deemed medically necessary and if the service need is supported through documentation.

During the work session hearing, the Subcommittees expressed that despite the error made by Clark County in determining the resources required to fully implement the specialized foster care program in its jurisdiction, providing services to the SFC youth population in southern Nevada was necessary. The Subcommittee also inquired about the amount of BST services that were being billed to Medicaid by Clark County providers. Staff would note that, in a report submitted by the Division, Clark County SFC providers billed BST for a total of \$959,085 for FY 2014-2015 and \$330,176 for FY 2015-2016. Staff would note that in FY 2015-2016, the BST billing was initially prohibited, and the prohibition was lifted later in the fiscal year.

It would be difficult to calculate the amount per child in Clark County resulting from providers billing for BST services, because the CCDFS intends that BST would only be billed when medically necessary, which depends on the acuity of each child. However, Fiscal staff notes that the BST Medicaid reimbursement rate proposed in the *Executive Budget* for the Nevada Medicaid budget is \$28.26 per hour. As an example, two hours of medically necessary BST services would equate to an additional \$56 of revenue per day, which when added to the Clark County SFC provider rate of \$62, would total to \$118 per day. This total would closely resemble the \$115 top rate paid in Washoe County and the \$115-\$125 top rate paid in the rural region.

Page 21 of [Exhibit C](#) includes a discussion of the block grant funding mechanism that is currently in place for the Washoe County and Clark County Child Welfare budgets. It has been funded this way since FY 2011-2012. The costs of the SFC program implementation were also approved by the 2015 Legislature using the block grant mechanism.

There are advantages and disadvantages to using a block grant funding mechanism from both the State's and the urban counties' points of view. The advantages to the State are that the liability of the State is limited, and that it inherently encourages their services and outcomes to keep costs low. The disadvantage is that the urban counties have limited accountability to the State for their spending except for adoption subsidies.

From the urban counties' point of view, the advantages are that they can reinvest unspent monies instead of reverting them to the General Fund and that it provides flexibility, allowing them to allocate child welfare funding to the areas needed in their jurisdiction. The disadvantage is that caseload growth is not funded, except for adoption subsidies.

From a fiscal perspective, one of the most important advantages to the State of the block grant funding mechanism is the limiting of financial liability to the State. Fiscal staff has calculated that General Fund appropriations to Clark and Washoe counties for child welfare costs rose 89 percent from FY 2004-2005 to FY 2010-2011, before the implementation of the block grant. The amount of the block grant has remained the same since FY 2011-2012, except for the addition of SFC resources approved by the 2015 Legislature.

By contrast, the adoption subsidy caseloads that are excluded from the block grants have continued to grow, since budgeting for adoption caseload growth began in FY 2013-2014. The total General Fund appropriation, legislatively approved or Governor recommended, for the urban counties' adoption subsidy caseload growth has increased from zero in FY 2011-2012 to a cumulative total of \$20.1 million through FY 2018-2019.

Fiscal staff would note that the *Executive Budget* does not contain an enhancement decision unit for SFC for this budget. All SFC funding approved by

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the 2015 Legislature is part of the block grant in the base budget for the 2017-2019 biennium.

Do the Subcommittees wish to approve the Governor's recommendation to continue funding the Clark County SFC program through a block grant at the same level approved by the 2015 Legislature?

SENATOR KIECKHEFER:

If we maintain funding levels with the understanding that these agencies will be changing their models to allow for BST, are we going to have an increase for the BST within the Medicaid budget?

MS. HOPPE:

Staff is not aware of a separate decision unit in the Medicaid budget. Staff would note that BST is a service that is allowable to many populations within the State, not just the SFC population. There was some spending for this population in the base year, so I would hazard a guess that the impact in the coming biennium would not be significant for the Medicaid budget.

ASSEMBLYWOMAN CARLTON:

It is no secret how I feel about block grants. I do not like the way these agencies get one large block of funding that has to be divided. It means we often do not know how many children will be impacted by the decisions we make. I am looking at a table that shows that children in Clark County will be receiving a significantly lower amount of funding and support than others. I know we will be discussing a separate decision unit for the rural component, which is not supported through a block grant, but instead is caseload-driven, and I can see that the amount of funding per child is much higher. I have concerns with that.

I know this program has had growing pains. I am not going to criticize anyone for that. I look forward to being able to analyze this after we have more than just two years' worth of data. I am still concerned that the kids in the district that I represent are not getting the same amount of support that others do. That bothers me greatly. Each kid, no matter where in the State they are, deserves the same amount of resources.

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ASSEMBLYWOMAN BUSTAMANTE-ADAMS:

I am equally disappointed by those figures. I am trying to understand how the numbers are derived, because it does not add up for me.

I have a question about the table on page 18 of [Exhibit C](#). The number of employees listed there only shows new employees. It does not show the number of employees that were there before. The eight new employees in Clark County serve a population that is almost two and a half times more than the other areas. However, the amount of money spent per child is the lowest out of the three areas. Am I reading this correctly?

Ms. HOPPE:

Yes.

ASSEMBLYWOMAN BUSTAMANTE-ADAMS:

I am trying to figure out how I am going to explain that to my constituents. I am not sure I fully understand.

ASSEMBLYMAN SPRINKLE:

My concerns about this have also been well documented over the work session and budget hearing. With the understanding that the BST cannot be denied if it is requested for medical necessity, I land where Assemblywoman Carlton does in that I feel like we do not really have a choice today. We need to move forward with this.

I think there is more to the story that we are not getting. That is incredibly frustrating to me. I do not know what it is. I hope that we will find out eventually. What I do want though is to ask Fiscal staff to start working with the Division before the final closing on this budget to put together language for a letter of intent so that the Division reports to us before they start putting together their budget for the upcoming biennium. That would be within the next year. I want to see that they have really looked at how this money is being spent.

This could apply to Washoe County as well, but I am really focused on Clark County, especially about SFC. We need more information on why we all have these concerns about this budget that we are not getting answers on. I am not

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looking for a letter of intent to be included in the motion we make today, but I would really like to give Fiscal staff the task in the next week or two to come up with a reporting system that makes sense.

CHAIR DENIS:
Is that something that Fiscal staff can do?

Ms. HOPPE:
Yes.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO CONTINUE FUNDING THE CLARK COUNTY SPECIALIZED FOSTER CARE PROGRAM IN B/A 101-3142 THROUGH A BLOCK GRANT AT THE SAME LEVEL AS APPROVED BY THE 2015 LEGISLATURE.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN FRIERSON AND OSCARSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED

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Ms. HOPPE:
Page 22 of [Exhibit C](#) details the second major closing issue for this budget. That is for the adoption subsidy caseload growth, decision units M-200 and M-201.

M-200 Demographics/Caseload Changes — Page DHHS-DCFS-32
M-201 Demographics/Caseload Changes — Page DHHS-DCFS-32

Through a combination of these two decision units, the Governor recommends caseload increases in adoption subsidies based on FY 2015-2016 actual growth rates of 7.9 percent. The funding over the 2017-2019 biennium is shown in the table on page 22 of [Exhibit C](#).

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The Division submitted a new caseload projection on March 31, which would decrease adoption subsidies by \$243,732 over the 2017-2019 biennium. This is based on more recent actual data and a revision of the Federal Medical Assistance Percentages (FMAP) rates. With these technical adjustments, which Staff has included in [Exhibit C](#), these decision units appear reasonable.

Do the Subcommittees wish to approve the Clark County adoption subsidy caseload growth, as adjusted?

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE CLARK COUNTY ADOPTION SUBSIDY CASELOAD GROWTH WITH THE NOTED TECHNICAL ADJUSTMENT IN B/A 101-3142.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN FRIERSON AND OSCARSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED.

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Ms. HOPPE:

The next budget under consideration is B/A 101-3229 for Rural Child Welfare. The information for this budget starts on page 23 of [Exhibit C](#).

HHS-DCFS - Rural Child Welfare — Budget Page DHHS-DCFS-34 (Volume II)
Budget Account 101-3229

There are two major closing issues in this budget. The first of which are the caseload changes. These are decision units M-200, M-201 and M-202.

M-200 Demographics/Caseload Changes — Page DHHS-DCFS-37
M-201 Demographics/Caseload Changes — Page DHHS-DCFS-37
M-202 Demographics/Caseload Changes — Page DHHS-DCFS-38

Through a combination of these three decision units, the Governor recommends caseload increases in existing adoption, family foster care, SFC and court jurisdiction caseloads. These units also encompass an increase to the provider rate and the implementation of a new Kinship Guardianship Program (KinGAP) caseload. Fiscal staff notes that the caseload decision units include components that are normally considered separately in enhancement units. The provider rate increase and the new program meet this criteria. In total, the *Executive Budget* recommends funding of \$4.9 million over the 2017-2019 biennium as laid out in table 1 on page 24 of [Exhibit C](#).

On March 31, the Agency provided revised caseload projections with more recent actual data, a revision to the FMAP rates and corrections to errors in methodology. A summary of the revised decision units is provided in table 2 on page 24 of [Exhibit C](#).

Fiscal staff has included the caseload revisions in [Exhibit C](#). These would reduce General Fund appropriations by \$1.3 million over the 2017-2019 biennium as compared to the *Executive Budget*. For the maintenance portion of these decision units relating to projections of existing legislatively approved caseloads, the revised projections appear reasonable to Staff. However, as noted previously, the decision units contain a new provider rate and a new caseload that are normally considered separately in enhancement decision units. These enhancements will be discussed individually.

The first is the provider rate increase for SFC. The Governor's recommendation would increase the provider rate from an average of \$40 per day, per child, to a rate of \$125 per day, per child for all children in the SFC population. The revised caseload requests 18 or 19 children at a new higher rate of \$125 and 22 children at an average AFC daily provider rate of \$42.

For the rural region, the 2015 Legislature approved the Division's request for eight new employees and the associated costs to establish a new SFC unit to serve a projected population of 40 children in the rural region. At that time, the Division did not request an increase in its provider rate as it was anticipated that services to the rural region would be provided by the SFC unit.

However, the Division testified at the March 9 budget hearing that it began paying daily provider rates of \$115 for urban providers and \$125 for rural providers during the 2015-2017 biennium for SFC agency homes that provide direct services to youth in their care using savings from other foster care populations budgeted in the Child Welfare category.

Fiscal staff asked the Division why higher provider rates of \$125 were being requested in the rural region, since an eight employee unit would seem sufficient to provide for the needs of the projected 41 children in the population. The Division indicated the rural region does not yet have enough AFC homes willing to accept children at a \$42 rate, and so SFC homes at the \$125 rate must be used in order to place the entire population.

The Division indicated that the unit employees are recruiting additional AFC homes as well as performing the responsibilities that are reflected in the table on page 25 of [Exhibit C](#). Of those eight employees, there is one manager, one administrative assistant to provide support, two social workers and four mental health counselors. Those last six employees provide training and support to the AFC homes as well as direct services to the youth in those homes.

The eight positions were approved to begin on October 1, 2015, but were not hired until July 2016 or later. Because the unit was not in operation during FY 2015-2016, an evaluation of the unit's effectiveness cannot be determined. The Agency indicated that while it did not have the staff hired during FY 2015-2016, the Child Welfare program used staff from the children's mental health program evaluation unit to assist with the implementation of the SFC program and to measure outcomes.

The Division indicated that the unit provides services only to children housed in AFC provider homes, as SFC agency homes provide their own services because they receive the \$125 daily rate. Therefore, six unit employees are budgeted to provide direct services to 22 youth in each year of the 2017-2019 biennium.

Because of a significantly smaller client population and the longer distances that DCFS employees must travel in the rural region to serve clients, the average cost per child for the SFC population in the rural region would be expected to be higher than the urban counties as fixed employee costs from the unit are

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allocated over a small population. Staff has provided a table at the bottom of page 26 of [Exhibit C](#) that is a duplication of the table that was discussed in the Clark County Child Welfare budget. It shows the resources approved by the 2015 Legislature.

Below the black bar in the middle of that table is the updated recent population for each of the three jurisdictions. Cost per child based on those actual populations is found in the table as well. What has been added to this table is the dollar amount of the enhancement requested in the rural regions. This is \$789,045 in FY 2017-2018, which represents the addition of a new \$125 provider rate.

That enhancement, based on a population of 41 youth, would come out to \$19,245 per child and, when added to the \$18,712 that is updated from 2015 resources, would provide \$37,957 worth of resources per child in this program in the rural region.

Do the Subcommittees wish to approve the Governor's recommendation, as adjusted, to add a new daily provider rate of \$125 for rural region children placed in SFC agency homes?

CHAIR DENIS:

When I look at this table from page 26 of [Exhibit C](#), I see that the costs for one child in the rural region are almost \$38,000, when the cost for one child in Clark County is \$13,818 and that cost in Washoe County is \$21,437. I know there are some externalities involved, but that disparity still raises a red flag for me.

I would like to see if we can allocate the full amount of money, but allocate the funding for FY 2018-2019 to the Interim Finance Committee (IFC) contingency account. This would mean that the Division would have to come back in a year and show us more information. I have concern with the severity of the disparity in these numbers. We have the same number of employees in each area, but the caseloads are different.

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ASSEMBLYMAN SPRINKLE:

I understand that there are difficulties in providing these services that are unique to the rural regions. I know there is a real difficulty in attracting AFC homes in that area as well. That being said, these ratios and numbers do not make sense to me either. I agree with Chair Denis.

I do not understand how that disparity can be justified. Once again, the relative paucity of resources for Clark County concerns me. This is such a low dollar figure per child in Clark County. I support Chair Denis' idea. I think we allocate the money and give them a year to really show why the increased rates are necessary. I would like to see them return to the IFC to get the second half of their funding. Otherwise, they really need to consider lower rates.

ASSEMBLYWOMAN CARLTON:

I want people to realize that Clark County is a rural county as well. There is Mesquite, Laughlin and other very rural areas contained within Clark County. They have the same challenges that other rural regions have.

Everyone assumes that Clark County is urban. There are many people in Clark County, but there are still rural elements too. We have kids in all corners of the County. Clark County is bigger than a number of states. I want that fact to be in mind when we consider the lower amount of resources allocated to Clark County. We are not just an urban county.

ALEX HAARTZ (Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Staff would just clarify the intent of the Subcommittees regarding this motion. The table Chair Denis referred to shows FY 2017-2018 funding amounts. The enhanced rate of \$125 would equal \$789,045 for FY 2017-2018. There is an equal amount budgeted for FY 2018-2019. We need to clarify if the idea of holding half the funding refers to half of the amounts budgeted for both fiscal years of the 2017-2019 biennium or if it means to hold the funding for FY 2018-2019. Either way, the IFC contingency account would be the appropriate place to hold that funding.

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ASSEMBLYMAN SPRINKLE:

My intent with this motion would be to appropriate the full amount for both fiscal years of the 2017-2019 biennium, but to have the amount budgeted for FY 2018-2019 go to the IFC contingency account so the Division would have to come back with a report and show the rationale for the amount they requested.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION WITH THE NOTED TECHNICAL ADJUSTMENT TO ADD A NEW DAILY PROVIDER RATE OF \$125 FOR RURAL REGION CHILDREN PLACED IN SFC AGENCY HOMES, AND TO HOLD THE AMOUNT ALLOCATED FOR FY 2018-2019 IN THE IFC CONTINGENCY ACCOUNT, AND REQUIRE THE DIVISION TO PRODUCE A REPORT AND SHOW THE RATIONALE FOR THE AMOUNT REQUESTED.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN FRIERSON AND OSCARSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED.

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MS. HOPPE:

Page 27 of [Exhibit C](#) also has information regarding the second major closing issue with this account. This is related to KinGAP.

As noted earlier, the caseload decision units also contain a recommendation of \$923,654 over the 2017-2019 biennium to serve between 62 children and 68 children through the new KinGAP.

Table 2 on page 24 of [Exhibit C](#) reflects the updated caseload projections and calculations submitted by the Agency on March 31, 2017. The recommendation would be revised to \$389,654 over the 2017-2019 biennium and would serve 26 children to 28 children annually. The Agency indicated the proposed KinGAP caseloads are not a new population of children served; these children are currently placed with relatives, both with and without subsidy.

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The purpose of KinGAP is to expedite legal permanency for children in foster care who are not able to return home and will not be adopted because families do not want to terminate parental rights, or for Indian children for whom termination of parental rights is contrary to tribal custom.

The KinGAP was conceived by A.B. No. 110 of the 76th Session and was approved by the Legislature. However, it was not implemented until May 2016. According to the Agency, all three child welfare agencies needed to agree to implement the program and Clark County did not initially agree. However, agreement was reached and all three child welfare agencies implemented KinGAP in May 2016. Senate Bill (S.B.) 510 has been submitted to implement this recommendation.

SENATE BILL 510: Revises provision governing the eligibility of a child for assistance from the Kinship Guardianship Assistance Program. (BDR 38-901)

This bill would change current statute approved by the 2011 Legislature so that youth who do not meet federal Title IV-E eligibility requirements would be eligible for the KinGAP. The child welfare agencies agreed that the program should be available to Nevada families regardless of their Title IV-E eligibility criteria, thus allowing the permanency of KinGAP for all children.

The Agency indicated that one of the benefits of KinGAP is placing youth with family, which can be a powerful means of achieving permanency and keep them connected with their birth family if they cannot return home to their parents.

Do the Subcommittees wish to approve the Governor's recommendation, as adjusted, to implement KinGAP in the rural region with subsidy payments totaling \$389,654 over the 2017-2019 biennium?

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION, AS ADJUSTED, TO IMPLEMENT KINGAP IN THE RURAL REGION WITH SUBSIDY PAYMENTS TOTALING \$389,654 OVER THE 2017-2019 BIENNIUM.

SENATOR WOODHOUSE SECONDED THE MOTION.

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ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN FRIERSON AND OSCARSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED.

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Ms. HOPPE:

The Subcommittees voted on the two new programs within these decision units. These are the higher provider rates and the KinGAP program. The rest of the decision units are maintenance to caseloads, which appear reasonable to Staff.

To complete major closing item 1 of B/A 101-3229, do the Subcommittees wish to approve the remaining portion of these decision units, relating to projections of existing legislatively approved caseloads, which appear reasonable to Staff?

ASSEMBLYWOMAN TITUS MOVED TO APPROVE THE MAINTENANCE DECISION UNITS IN B/A 101-3229 THAT RELATE TO PROJECTIONS OF EXISTING LEGISLATIVELY APPROVED CASELOADS.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMAN FRIERSON AND OSCARSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED

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Ms. HOPPE:

The second major closing issue for B/A 101-3229 is described on page 28 of [Exhibit C](#). This is a funding change and is decision unit E-241.

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The *Executive Budget* recommends an increase in Medicaid funding totaling \$526,917 over the 2017-2019 biennium, with a corresponding reduction to General Fund appropriations. The additional Medicaid revenue would be generated through Targeted Case Management (TCM) billing for the child welfare clientele in the rural counties and would be paid by Nevada Medicaid, as TCM is a billable service for this population.

Do the Subcommittees wish to approve the Governor's recommendation to increase Medicaid funding by \$526,917 over the 2017-2019 biennium, with a corresponding reduction to General Fund appropriations, generated through TCM billing?

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE THE GOVERNOR'S RECOMMENDATION TO INCREASE MEDICAID FUNDING BY \$526,917 OVER THE 2017-2019 BIENNIUM, WITH A CORRESPONDING REDUCTION TO GENERAL FUND APPROPRIATIONS, GENERATED THROUGH TCM BILLING IN B/A 101-3229.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN FRIERSON AND OSCARSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED.

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Ms. HOPPE:

Fiscal staff has identified six other closing items in this budget. The list of these begins on page 28 of [Exhibit C](#). The first one is a base budget technical adjustment. Other closing item 2 is decision unit E-225.

E-225 Efficient and Responsive State Government — Page DHHS-DCFS-39

Other closing item 3 is decision unit E-710.

E-710 Equipment Replacement — Page DHHS-DCFS-39

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Other closing item 4 is decision unit E-711.

E-711 Equipment Replacement — Page DHHS-DCFS-40

Other closing item 5 is decision unit E-902.

E-902 Transfer Non-XIX Medical Costs To BA 3263 — Page DHHS-DCFS-40

Lastly, other closing item 6 is decision unit E-903.

E-903 Transfer From BA 3145 To BA 3229 — Page DHHS-DCFS-41

Other closing items 2 through 6 appear reasonable to Staff. Do the Subcommittees wish to approve the technical adjustment identified in other closing item 1, and approve other closing items 2 through 6 as recommended by the Governor, with authority for Fiscal staff to make technical adjustments as necessary?

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE IN B/A 101-3229 THE TECHNICAL ADJUSTMENT IDENTIFIED IN OTHER CLOSING ITEM 1, AND APPROVE OTHER CLOSING ITEMS 2 THROUGH 6 AS RECOMMENDED BY THE GOVERNOR, WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NECESSARY.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN FRIERSON AND OSCARSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED.

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Ms. HOPPE:

The next budget for discussion is the Child Welfare Trust. This is B/A 645-3242. The information regarding this account is on page 31 of [Exhibit C](#).

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HHS-DCFS - Child Welfare Trust — Budget Page DHHS-DCFS-44 (Volume II)
Budget Account 645-3242

There are no major closing items and no other closing items in this budget. Fiscal staff recommends this budget be closed as recommended by the Governor with authority for Fiscal staff to make technical adjustments as necessary.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE B/A 645-3242 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE TECHNICAL ADJUSTMENTS AS NEEDED.

SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN FRIERSON AND OSCARSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED.

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Ms. HOPPE:

The next budget for today is B/A 101-3250. This account is for the transition from foster care. The information regarding this budget begins on page 33 of [Exhibit C](#).

HHS-DCFS - Transition From Foster Care — Budget Page DHHS-DCFS-46
(Volume II)
Budget Account 101-3250

This is a Staff-closed budget that has not been previously heard. There are no major closing issues. There is one other closing item, which is a base budget technical adjustment as noted on page 34 of [Exhibit C](#). This is a correction of balance forward amounts in this account.

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Fiscal staff recommends this budget be closed as recommended by the Governor with the noted technical adjustment, and with authority for Fiscal staff to make other technical adjustments as necessary.

SENATOR WOODHOUSE MOVED TO APPROVE B/A 101-3250 AS RECOMMENDED BY THE GOVERNOR WITH THE NOTED TECHNICAL ADJUSTMENT, AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN FRIERSON AND OSCARSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED.

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Ms. HOPPE:

The next budget begins on page 35 of [Exhibit C](#). This is B/A 101-3251.

HHS-DCFS - Review of Death of Children — Budget Page DHHS-DCFS-48
(Volume II)
Budget Account 101-3251

This is another Staff-closed budget with no major closing issues. There is one other closing item, which is the same base budget technical adjustment as the previous budget.

Fiscal staff recommends this budget be closed as recommended by the Governor with the noted technical adjustment, and with authority for Fiscal staff to make other technical adjustments as necessary.

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE B/A 101-3251 AS RECOMMENDED BY THE GOVERNOR WITH THE NOTED TECHNICAL ADJUSTMENT, AND WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

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SENATOR WOODHOUSE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN FRIERSON AND OSCARSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED.

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MS. HOPPE:

The final budget under discussion today is for Northern Nevada Child and Adolescent Services. This is B/A 101-3281. The information regarding this account begins on page 37 of [Exhibit C](#).

HHS-DCFS - Northern NV Child & Adolescent Services — Budget Page DHHS-
DCFS-88 (Volume II)
Budget Account 101-3281

There is one major closing issue described on the bottom of page 37 of [Exhibit C](#) for decision unit E-350.

E-350 Safe and Livable Communities — Page DHHS-DCFS-92

To address an anticipated increase in demand from uninsured or underinsured children for acute hospitalization, the Governor recommends General Fund appropriations of \$183,004 over the 2017-2019 biennium to increase the expenditure authority in the Mental Health Placements category.

This category is entirely funded with General Fund appropriations and is used only for acute hospital services for uninsured and underinsured children and adolescents and for specialized foster care placements. The hospital services are provided through a contract with West Hills Hospital in Reno, as the State does not operate a children's psychiatric hospital in northern Nevada.

According to the justification in the *Executive Budget*, authority for this category has consistently been exhausted before the end of a fiscal year, preventing the Agency from funding placements. This recommendation would

increase this category's authority by \$91,502. This would increase funding from \$171,799 to \$263,301 for each year of the 2017-2019 biennium.

The recommended increase appears to be driven primarily by the amount necessary to fund the maximum contract authority with West Hills Hospital. The table on page 38 of [Exhibit C](#) shows the history of the Mental Health Placement category, and includes the legislatively-approved authority along with the actual expenditures and the amount in unspent category authority.

This table reflects the Agency has not consistently exhausted this category therefore, Fiscal staff has asked the Agency to clarify the recommendation for increased costs. The Agency responded that there were several factors which could lead to an increase. These factors are given in the bulleted list on pages 38 and 39 of [Exhibit C](#).

The 2013 Legislature approved the Governor's recommendation to expand Medicaid eligibility in Nevada, and the Director of the Department of Health and Human Services reported that from FY 2011-2012 to FY 2015-2016, the number of uninsured in Nevada fell from 22 percent to 12 percent of the population. Given these statistics, the need to provide General Fund-supported services for uninsured or underinsured children and adolescents would be expected to decline.

However, this decision unit requests an increase in support. According to the Agency, while the Division has experienced a small decline in the number of uninsured children, the two primary factors that contribute to the requested increase are the increase in the average length of stay and the increase in the daily rate.

Do the Subcommittees wish to approve General Fund appropriations of \$183,004 over the 2017-2019 biennium to increase the expenditure authority in the Mental Health Placements category as recommended by the Governor?

ASSEMBLYMAN SPRINKLE MOVED TO APPROVE GENERAL FUND APPROPRIATIONS OF \$183,004 OVER THE 2017-2019 BIENNIUM TO INCREASE THE EXPENDITURE AUTHORITY IN THE MENTAL HEALTH

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PLACEMENTS CATEGORY IN B/A 101-3281 AS RECOMMENDED BY
THE GOVERNOR.

SENATOR KIECKHEFER SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN FRIERSON AND
OSCARSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED.

* * * * *

Ms. HOPPE:

There are four other closing items for B/A 101-3281. The list of them begins on
page 39 of [Exhibit C](#). All of them are recommended by the Governor and appear
reasonable to Staff.

Other closing item 1 is decision unit M-101.

M-101 Agency Specific Inflation — Page DHHS-DCFS-90

Other closing item 2 is decision unit M-501.

M-501 Mandates — Page DHHS-DCFS-91

Other closing item 3 is decision unit E-225.

E-225 Efficient and Responsive State Government — Page DHHS-DCFS-91

Other closing item 4 is for position transfers. These include decision units
E-502, E-900 and E-904.

E-502 Adjustments To Transfers — Page DHHS-DCFS-92

E-900 Transfer From BA 3281 To BA 3145 — Page DHHS-DCFS-92

E-904 Transfer From BA 3281 To BA 3646 — Page DHHS-DCFS-93

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Fiscal staff recommends all other closing items be closed as recommended by the Governor, and requests authority for Staff to make other technical adjustments as needed.

SENATOR WOODHOUSE MOVED TO CLOSE OTHER CLOSING ITEMS 1, 2, 3 AND 4 FOR B/A 101-3281 AS RECOMMENDED BY THE GOVERNOR WITH AUTHORITY FOR FISCAL STAFF TO MAKE OTHER TECHNICAL ADJUSTMENTS AS NECESSARY.

ASSEMBLYMAN SPRINKLE SECONDED THE MOTION.

ASSEMBLY: THE MOTION CARRIED. (ASSEMBLYMEN FRIERSON AND OSCARSON WERE EXCUSED FROM THE VOTE.)

SENATE: THE MOTION CARRIED.

* * * * *

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CHAIR DENIS:

That concludes the budgets under consideration today. Seeing no one who wishes to offer public comment, I adjourn this meeting as of 9:27 am.

RESPECTFULLY SUBMITTED:

Colby Nichols,
Committee Secretary

APPROVED BY:

Senator Moises Denis, Chair

DATE: _____

Assemblyman Michael C. Sprinkle, Chair

DATE: _____

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EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	2		Agenda
	B	1		Attendance Roster
	C	40	Karen Hoppe / LCB Fiscal Division	Human Services Joint Subcommittee Closing List #5