

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

**Eightieth Session  
April 10, 2019**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on Human Services was called to order by Chair Teresa Benitez-Thompson at 8:13 a.m. on Wednesday, April 10, 2019, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4404B 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 [www.leg.state.nv.us/App/NELIS/REL/80th2019](http://www.leg.state.nv.us/App/NELIS/REL/80th2019).

**ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:**

Assemblywoman Teresa Benitez-Thompson, Chair  
Assemblywoman Maggie Carlton, Vice Chair  
Assemblyman Jason Frierson  
Assemblywoman Dina Neal  
Assemblywoman Ellen B. Spiegel  
Assemblyman Tyrone Thompson  
Assemblywoman Robin L. Titus

**SENATE SUBCOMMITTEE MEMBERS PRESENT:**

Senator Moises Denis, Chair  
Senator Chris Brooks  
Senator Ben Kieckhefer  
Senator James A. Settelmeyer  
Senator Joyce Woodhouse

**SUBCOMMITTEE MEMBERS EXCUSED:**

Assemblyman John Hambrick



**STAFF MEMBERS PRESENT:**

Cindy Jones, Assembly Fiscal Analyst  
Sarah Coffman, Principal Deputy Fiscal Analyst  
John Kucera, Program Analyst  
Anne Bowen, Committee Secretary  
Lisa McAlister, Committee Assistant

After call of the roll, Chair Benitez-Thompson opened the work session regarding the Division of Child and Family Services. She said the discussion would begin with the Prison Rape Elimination Act (PREA) juvenile justice positions recommended by the Governor.

John Kucera, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), said the Subcommittees would hear two important issues in the work session. The first was the Prison Rape Elimination Act (PREA), in which the Governor recommended the addition of 96 positions between the state-run juvenile justice facilities. The second issue would discuss childcare and respite services as recommended in the county child welfare budgets.

**DIVISION OF CHILD AND FAMILY SERVICES  
GOVERNOR-RECOMMENDED PRISON RAPE ELIMINATION ACT—  
JUVENILE JUSTICE POSITIONS  
SUMMIT VIEW YOUTH CENTER, BUDGET ACCOUNT 3148  
CALIENTE YOUTH CENTER, BUDGET ACCOUNT 3179  
NEVADA YOUTH TRAINING CENTER, BUDGET ACCOUNT 3259**

Mr. Kucera provided a brief overview of the Governor-recommended budget that included 96 new positions between Summit View Youth Center (SVYC), Caliente Youth Center (CYC), and the Nevada Youth Training Center (NYTC). The budget included approximately \$9.1 million in General Funds over the 2019-2021 biennium, and the budgets were previously heard on March 7, 2019.

As a general overview, PREA mandated a 1:8 staff-to-youth ratio during the day and a 1:16 ratio during the night. Mr. Kucera said that meant that one group supervisor was required to have direct line of sight observation of 8 youth during the day and a maximum of 16 youth at night. The Prison Rape Elimination Act required that the governor of each state or territory annually certify whether the state was in or working toward full compliance. During testimony provided at the March 7, 2019, hearing, the agency confirmed that with the use of overtime in the three state-run facilities, the juvenile system was currently in PREA compliance. The Division of Child and Family Services (DCFS) hired a staffing consultant to review all the staffing levels at the three juvenile justice facilities in the Governor-recommended budget. Only minor alterations were included in the recommendations from the staffing consultant report.

Fiscal Analysis Division staff noted that between the three juvenile justice facilities, statewide capacity was 248 youth, and this figure included a total of 161 group supervisor positions in the base. If the Governor-recommended budget was approved, staffing would increase to 257 group supervisor positions, an increase of 59.6 percent. Summit View Youth Center included 48 maximum occupancy, Caliente Youth Center included 140 maximum occupancy, and Nevada Youth Training Center included 60 maximum capacity. Mr. Kucera said PREA, as annually certified by the Governor, required compliance on both the adult and juvenile side. Both of those were required for full compliance, and because the juvenile system was in full compliance, approval of those additional PREA positions for the juvenile system did not appear to be strictly necessary to meet the federal requirement. Based on the myriad of options available, Fiscal staff had compiled four options for consideration by the Subcommittees that included various changes to occupancy, capacity, staffing, and various scenarios that would be discussed in detail.

Summit View Youth Center was located in North Las Vegas and was the only maximum security juvenile justice facility in the state. Mr. Kucera said this physically secure building included tall walls, razor wire fencing, and secure locking doors. Youth were arranged in four wings of twelve occupants each with a maximum occupancy of 48 youth.

Caliente Youth Center was located in Caliente, approximately two hours north of Las Vegas. It was comprised of seven residential units that each held 20 youth for a maximum facility capacity of 140 youth. Mr. Kucera noted that the agency considered this facility the minimum security facility, and it was staff secure, meaning there were no walls, no fences, and staff was the only barrier to maintaining youth safety.

Mr. Kucera explained that the third facility was the Nevada Youth Training Center, and it was a staff-secure facility located in Elko. The Nevada Youth Training Center and the Caliente Youth Center facilities were very similar, and each included 20-bed residential cottages. In Elko, however, only four residential cottages were operational at a budgeted capacity of 15 youth each, providing a maximum facility capacity of 60 youth.

Mr. Kucera summarized the available options below:

- Option 1—Governor Recommended: Capacity was not changed at any facility, and a total of 96 positions were added. Compliance with PREA would be maintained through additional staff without the budgeted use of overtime. The total 2019-2021 biennium enhancement expenditure would be \$9.1 million.

- Option 2—Status Quo: Capacity was not changed at any facility, and no positions were added. Compliance with PREA would be maintained through the regular use of overtime. Based on a three-year average, overtime expenditure was estimated at approximately \$1.5 million per year, or approximately \$3 million over the 2019-2021 biennium. Option 2 would save approximately \$6.1 million over the 2019-2021 biennium when compared to The Executive Budget.
- Option 3 a/b—Efficiency: Option 3a included a capacity reduction at Caliente Youth Center from the current 140 youth to 112 youth. This option also included 4 beds added at the Nevada Youth Training Center, increasing beds from 60 to 64. Total statewide capacity would be reduced by 24, approximately 10 percent. Option 3a would result in an approximate \$3.3 million savings over the biennium when compared to the Governor's recommended budget, inclusive of 35 fewer positions required at Caliente Youth Center. Option 3b included all of the components just discussed and included academic teachers at the Nevada Youth Training Center in Elko as part of the PREA ratios. The staffing consultants hired by the DCFS included a scenario that accomplished this, with additional savings of approximately \$1.2 million over the biennium, inclusive of an additional 14 fewer positions required at NYTC.
- Option 4—Mental Health: Option 4 was proposed by DCFS when Fiscal Analysis Division staff requested additional staffing scenarios. This option had not previously been heard by the Subcommittees and was not discussed during the hearing in March. This option would take the savings mentioned in option 3a, resulting from the occupancy reduction at Caliente Youth Center, and add 20 beds to Desert Willow Treatment Center, a youth psychiatric hospital in Las Vegas, currently staffed for 20 beds. This was a proposed option by DCFS, based on an informal survey conducted at CYC and NYTC. The agency determined that 20 youth housed in those juvenile justice facilities might be better served in a mental health setting, and had those mental health beds been available at the time of adjudication, it was possible those youth would have been placed in a mental health setting, as opposed to the juvenile justice setting. Option 4 as considered would add 5 net personnel and approximately \$194,000 when compared to The Executive Budget.

Mr. Kucera noted that these options were preliminary, and figures were subject to change, particularly option 4, which was considered quite recently in consultation with the Governor's Office of Finance and DCFS. Based upon direction of the Subcommittees, Fiscal staff could work with the agency to make this option potentially revenue neutral or provide General Fund savings, depending on how personnel were added and configured.

Of general concern related to all options was the ability for the agency to hire staff at the facilities. As of March 12, 2019, the direct-care staff vacancy rate, which was typically comprised of group supervisor positions 2, 3, and 4, was approximately 20 percent at Summit View Youth Center, 25 percent at Caliente Youth Center, and 12 percent at the Nevada Youth Training Center. The figure for Nevada Youth Training Center in Elko was relatively low and was likely an organic result of staff leaving and positions being refilled. According to Mr. Kucera, however, the higher vacancy rates at SVYC and CYC might indicate a lack of eligible, qualified, and interested personnel.

Chair Benitez-Thompson informed the Subcommittees that an overview of the four options had been presented, and there were details to discuss about the different options; she requested that staff review all the details for each of the options and then open a discussion regarding the options.

Mr. Kucera explained that option 1 was Governor recommended, and there were no savings or additional General Fund liability presented. Option number 1, as stated, included approximately \$9.1 million in General Funds and would add 96 positions among all three juvenile justice facilities.

Option 2 was, as mentioned previously, a status quo option that would not add any positions and would not adjust capacity at any facility. With approximately \$1.5 million in overtime estimated between the three facilities, this option might result in a \$6.1 million General Fund savings; however, there were significant limitations present with each of the options. Fiscal staff noted that according to the agency, reliance on overtime to meet PREA ratios was not sustainable and could negatively affect facility performance and employee retention, as well as cause other unwanted results that might arise from the consistent regular use of budgeted overtime. The agency also indicated that operating staff-to-youth ratios greater than the industry standard might expose the state to litigation risk. Mr. Kucera said the typically budgeted amounts for overtime were significantly less than amounts actually incurred. The Caliente Youth Center was budgeted for overtime, as was the Nevada Youth Training Center; however, the Summit View Youth Center was not budgeted for overtime, and this was likely a function of the facility reopening as a state-run facility in late fiscal year (FY) 2016. Fiscal staff noted that option 2 would not include any additional positions, would not change capacity, and would result in a General Fund savings of \$6.1 million when compared to the Governor-recommended budget.

Mr. Kucera stated option 3a was an efficiency option that attempted to present the most efficient capacity and staffing arrangements that minimized expenditures while maintaining PREA ratios without the budgeted use of overtime. This option included the capacity reduction at Caliente Youth Center from 140 youth to 112 youth, which would result in efficient staff-to-youth ratios with 16 youth in each of 7 buildings. Additional savings presented in option 3b also included staffing reductions resulting from the inclusion of academic teachers in the staffing ratios.

Option 3a included Caliente Youth Center personnel and reduced capacity savings as well as NYTC operating costs of \$42,218. Beds could be added at NYTC, one in each residential cottage, increasing from 15 to 16 youths without additional staff. Based on the nominal cost to add four youth there, it seemed an efficient option to offset some of the reduction in capacity from Caliente Youth Center. This option would result in approximately 35 fewer positions at Caliente Youth Center and an approximate \$3.3 million savings in General Funds. Fiscal Analysis Division staff noted that option 3a would result in an approximate 10 percent statewide capacity decrease; however, a disproportionately large savings was generated because of the 20-bed cottage layout at Caliente Youth Center. A reduction of 4 youth from 20 to 16 would result in a reduction of 5 positions. Mr. Kucera also noted that options 1, 3a, 3b and 4 included the use of a shift relief factor. A shift relief factor attempted to summarize in a single measure all of the components that might reduce the available time for staff to work a post. The options included shift relief factors, and Mr. Kucera noted this was a deviation from previously approved budgets. The budget capacity in option 3a would not likely displace any youth, because the occupancy at Caliente Youth Center was 87 as of February 2019. However, as with any option discussed here, there were limitations. Fiscal staff noted that Caliente Youth Center was the only facility that housed female youth, and as a result, included some inherent inefficiency, considering male and female youth were not mixed within the same facility.

Mr. Kucera said DCFS also indicated that Caliente Youth Center was the lowest security facility available, and reducing capacity there might affect the ability for youth to be appropriately placed in a facility that matched their needs. Also, reducing capacity might result in longer wait-times for youth at a county facility who were waiting for a bed to open at a state-run facility.

Mr. Kucera said option 3b, included all of the savings and components mentioned in option 3a; however, this option would also lead to a 14-position personnel reduction at NYTC, resulting from the inclusion of academic teacher positions in the PREA-required ratios. The agency indicated that this typically had not been done, and the agency would prefer to limit teaching activities to those typically included in a classroom. Expanding their scope of service might result in a mismatch between responsibilities and requirements of direct staff, including the group supervisors, security personnel, and the typical responsibilities of academic teacher positions. This option was available at NYTC, which was unique among state facilities in that the academic teacher positions were state positions. Fiscal staff also noted that group supervisor positions, while not Peace Officer Standards and Training (P.O.S.T.)-certified, were on the police and fire retirement schedule. Including both of those options would result in a \$4.5 million General Fund savings and 49 fewer positions when compared to the Governor-recommended budget.

Option 4 was the mental health option that Mr. Kucera noted was not previously heard by the Subcommittees. As presented by the agency, option 4 would use the savings generated by reducing capacity at Caliente Youth Center. This option would increase General Fund appropriations by \$194,518; however Fiscal staff noted that this was an initial estimate, and if the Subcommittees so decided, Fiscal staff would work with the agency staff to make this a General Fund savings option, or at the very least, a General Fund neutral option.

Mr. Kucera said the savings from Caliente Youth Center was noted in options 3a and 3b. The NYTC additional operating costs noted in the same options, also included Desert Willow Treatment Center additional personnel and operating costs. As estimated by the agency, additional operating costs totaled approximately \$7 million over the biennium. However, this option included Medicaid revenue at approximately 50 percent of the total expenditures, resulting in a General Fund obligation of \$775,584 in FY 2020 when compared to the Governor-recommended budget and a \$581,066 savings in FY 2021, for a total difference of \$194,518. Mr. Kucera said this option would result in 35 fewer positions at Caliente Youth Center and 40 additional personnel at Desert Willow Treatment Center, which would be required to add 20 beds at that psychiatric facility. That would result in a net five additional positions. The basis for the agency's recommendation was that the informal survey of youth currently in state juvenile justice facilities suggested that some youth might be better served in a mental health facility as opposed to a juvenile justice setting.

As with other options, there were a number of limitations included in option 4, including:

- Longest implementation time period.
- Uncertain Medicaid reimbursement for new Desert Willow Treatment Center beds.
- Potential safety considerations serving juvenile offenders in a residential treatment setting together with nonoffender youth.
- An assumption that reduced juvenile facility capacity could be absorbed by increased mental health capacity.

The decision to be made at closing by the Subcommittees was whether to approve the Governor's recommendation to add 96 new group supervisor positions or to make adjustments to the Governor-recommended statewide staffing and capacity configurations based on the options identified. Mr. Kucera noted that based on the interest of the Subcommittees, additional options could be explored, and components of various options could be combined to provide additional options.

There were two options that were considered by Fiscal staff, but not included. One option was moving significant capacity to the Nevada Youth Training Center, but based on concerns noted by the agency because of the age of the facility, as well as potential unsafe conditions for youth and staff if significant capacity was moved to the north, this option was not included. During the budget hearing, there was a second option mentioned to move capacity at Summit View Youth Center from the current one building to a second building. When the details were reviewed by Fiscal staff, it was noted that no additional personnel savings would be generated, so while this option was considered, it was not included. Mr. Kucera concluded his presentation on the first issue before the Subcommittees.

Chair Benitez-Thompson commented that there were four options and option three had a 3a and 3b, so there were actually five options. She said the Subcommittees did not have to make a decision today, but would probably need to have a serious conversation to get a feel from the members about where the comfort level was and what options generated the most interest.

Assemblywoman Titus said her concern about option 4 was related to the problems at the China Spring Youth Center in Douglas County. The concept of using Medicaid reimbursement to help with budget items had been good, but reimbursement took much longer than anticipated. The situation was improving, but China Spring was seriously hampered because it chose to go the Medicaid route as part of its budget. Assemblywoman Titus said that while she believed mental health and billing for Medicaid was a good concept, she was reluctant to commit all of those juvenile justice facilities to that concept at this time.

Chair Benitez-Thompson asked a representative from the DCFS to inform the Subcommittees regarding the timeline for all of the facilities to transition.

Ross E. Armstrong, Administrator, Division of Child and Family Services, Department of Health and Human Services, stated that the Medicaid reimbursement as a portion of option 4 would not convert the juvenile justice facilities to Medicaid-eligible facilities: it increased capacity at Desert Willow Treatment Center, which was already a licensed psychiatric residential treatment center.

Assemblywoman Titus thanked Mr. Armstrong for the clarification.

Chair Benitez-Thompson requested clarification of the funding structure between China Spring and Desert Willow Treatment Center.

Mr. Armstrong informed the Subcommittees that China Spring Youth Camp was a county camp. There were two in the state: one was Spring Mountain Treatment Center that Clark County used, and the other was China Spring Youth Camp that was used by the remaining counties. China Spring Youth Camp had gone through the process of becoming



a licensed psychiatric residential treatment center, and that process had caused some difficulty in bringing Medicaid online. Mr. Armstrong said Desert Willow Treatment Center was already receiving Medicaid because they had the systems and staff in place to do so, and that was the main difference between the two facilities.

Senator Settlemeyer stated that China Spring Youth Camp had moved to a Medicaid model using the concept that services could theoretically be reimbursed by Medicaid. He noted it had been a difficult process for the director of China Spring Youth Camp because of the uncertainty in funding. However, the children at China Spring made it all the way through the process, and nobody had provided analysis about whether they needed medication to help them. Senator Settlemeyer believed it was found that one-third of the children could benefit from psychopharmacology and things of that nature. Upon providing medication, the children became teachable, while up to that point, they were so disruptive that teaching was problematic. In that respect, the Senator questioned why that was not an option, but he also realized how much money would be needed from the General Fund. He referred to the old adage, "either educate or incarcerate."

Assemblywoman Carlton said that perhaps she misread option 4, but with the mental health component putting 20 youth back at Desert Willow Treatment Center, which was already Medicaid-eligible, Medicaid dollars would be used, and she was under the impression that money would be saved in the long run. She requested the Fiscal Analysis Division staff to provide clarification.

Mr. Kucera explained that option 4 contained Medicaid funding of approximately \$1.6 million in FY 2020 and approximately \$1.9 million in FY 2021. The General Fund impact included the additional expenditure for the Desert Willow Treatment Center 20-bed addition and the additional Medicaid revenue. In FY 2020, there would be a net General Fund increase of \$775,584; however, in FY 2021 there would be a net General Fund savings of \$581,066. When those two numbers were combined, the 2019-2021 biennium effect was \$194,518. However, Mr. Kucera said, Assemblywoman Carlton was correct that if all of those assumptions held concerning the total expenditure estimated at Desert Willow Treatment Center and the 50 percent Medicaid reimbursement, option 4 could result in a net General Fund savings in future biennia.

Assemblywoman Carlton stated that it was her understanding that the juvenile justice facilities were currently in compliance with PREA.

Mr. Kucera said that was correct; with the use of budgeted overtime, the juvenile facilities were within PREA compliance.

Assemblywoman Carlton commented that overtime was one of the problems. She asked how much staff it would take to address overtime at the facilities.

Mr. Kucera said there had been an analysis of the historical overtime at the three facilities. In FY 2018, total overtime was \$1,612,170, in FY 2019 overtime was projected to be \$1,349,354. The three-year average of overtime was \$1,490,583. Depending on which staff was used and notwithstanding the agency's difficulty in hiring staff in some of the higher vacancy areas, Fiscal staff could work with the agency to determine how best to use the estimated overtime dollars to exchange them for personnel.

Assemblywoman Carlton remarked that in the past there had been conversations about increasing staff. During another legislative session, an agency requested and received an increase in staff, but that agency had a very high vacancy rate, and staff was funded but was never hired because the agency could never address its vacancy rate, and it used vacancy savings to pay for overtime. Assemblywoman Carlton said nothing was accomplished except paying for the overtime in a different way.

Mr. Armstrong said the most difficult facility to hire staff would be at the Caliente Youth Center, which had the highest vacancy rate because of its location. The NYTC in Elko had the most success keeping its vacancy rate down, and Summit View Treatment Center had fluctuated quite a bit since its reopening. Mr. Armstrong was confident that NYTC would be able to maintain its current vacancy rate with additional staff. The agency could employ different strategies at Summit View Treatment Center, but Caliente Youth Center was where a reduction to a 1:12 ratio might make the most sense.

Assemblywoman Carlton referred to the opening of Desert Willow Treatment Center and the possibility of placing 20 youth there. She said it was her understanding that the 20 youth would probably come from Caliente Youth Center.

Mr. Armstrong explained that it would not be the intention to take youth from a juvenile justice facility to the Desert Willow Treatment Center. The intention, if option 4 was the direction chosen, would be to let those youth currently in the juvenile justice facility finish their treatment and programming. The average length of stay was about 6 to 9 months, and as the capacity at Desert Willow rose, appropriate youth would be admitted. Transfers would probably be from all three facilities, but mainly from Caliente because it was the largest facility. There would be vacancies created at NYTC and Summit View, but the greater the risk and needs of the youth would help determine placement. Mr. Armstrong indicated it would not be a straight transfer from Caliente Youth Center to Desert Willow Treatment Center—there would be shuffling of beds all around.

Assemblywoman Carlton asked whether there was an estimate about how long it would take to reopen Desert Willow Treatment Center.

Mr. Armstrong believed Desert Willow Treatment Center could be ready to receive youth in nine to twelve months. There would be some needed enhancements to the facility, as well as the hiring of staff.

Assemblywoman Carlton asked whether there was a cost estimate.

Mr. Armstrong said he believed the cost estimate was included in the decision unit, but if not, the Division would work with Fiscal Analysis Division staff to ensure it was ready for the actual budget closing if that was the direction the Subcommittees wanted to go.

Assemblywoman Carlton said she wanted to make sure the Subcommittees had all the pertinent information, and because it was a newer facility, she did not believe there would be any upgrades to be made. She was aware that when a facility had been vacant, it sometimes had to be brought up to a certain code. She wondered whether that would be a consideration. Mr. Armstrong stated that because Desert Willow Treatment Center had been continuously operating, it currently met code.

Senator Brooks believed there were two issues: one was related to the budget and the other one was outcomes for the youth that were in the facilities. Seventy-five percent of the youth in those facilities came from southern Nevada, and disrupting their lives and families by sending them to a place that made it difficult for families to support them should be taken into consideration. Senator Settlemeyer brought it up, and it had been seen through several other Committees. Assemblyman Brooks maintained that many youth could be better served by mental health treatment as opposed to being incarcerated. He stated option 4 addressed both the budgetary issue and provided better care for those youth, who then would have better outcomes.

Chair Benitez-Thompson stated her least favorite option was 3b because of having the academic teachers serving a dual role in the facilities. She believed some pieces of option 1 should be considered because the overtime was so high that positions would be needed. Even if the Subcommittees leaned toward option 4, it would take some time for that to occur, so the facilities would stay as they were for a year or so. Chair Benitez-Thompson asked whether all of the recommended positions would be needed.

Mandi Davis, Deputy Administrator, Administrative Services, Division of Child and Family Services (DCFS), Department of Health and Human Services (DHHS), stated that to avoid incurring any overtime would require the addition of all 96 positions to meet PREA staffing ratios.

Chair Benitez-Thompson, noting the facilities were in PREA compliance with all of the overtime, asked whether they would become more compliant with 96 additional positions.

Ms. Davis replied that with the addition of 96 positions, every shift would be staffed to meet all of the PREA ratios with no overtime.

Mr. Armstrong noted that while all the facilities were PREA compliant, it was by a small margin.

If the Subcommittees were to consider option 4, and it took a year or a year-and-a-half before Desert Willow Treatment Center could open more beds, Chair Benitez-Thompson questioned whether it made sense to hire 96 people for a year-and-a-half and then scale back.

Mr. Armstrong responded that should the Subcommittees decide on option 4, it could be done, especially for Caliente. It would not make sense to hire all the recommended employees for those 18 months, if the goal was to reduce the capacity.

Chair Benitez-Thompson said the Subcommittees would look more specifically at the overtime analysis and the positions associated with Caliente Youth Center, and that was where the variation would occur if option 4 was chosen.

Mr. Armstrong said that was correct. The increase in staff at Caliente Youth Center with a capacity of 1:12 ratio for the entire biennium was where the biggest drop from the Governor's recommendation would be seen.

Chair Benitez-Thompson wanted to clarify that 50 percent of the youth that were placed at Caliente Youth Center were Medicaid-eligible.

Ms. Davis said currently there were 20 beds at Desert Willow Treatment Center that were operating, and approximately 85 percent of those youth were Medicaid-eligible. When the Federal Medical Assistance Percentage (FMAP) rate of about 64 percent was applied, Medicaid supported about 50 to 55 percent of the youth costs at that facility.

Senator Kieckhefer questioned whether the potential problems of mixing juvenile offenders with mental health and behavioral health patients at Desert Willow Treatment Center had been addressed.

Mr. Armstrong said it had not been discussed in this hearing, but Desert Willow Treatment Center served as the safety-net children's mental health facility. Many youth who were rejected from private facilities based on their conduct were sent to Desert Willow, and the staff was accustomed to dealing with youth who not only had mental health issues, but also behavioral issues. Mr. Armstrong said some of the youth who would have gone to Desert Willow if beds had been available were being sent out-of-state.

Senator Kieckhefer asked whether all of the youth currently at Desert Willow were there by court order or voluntary placement by parents or guardians.

Susie Miller, Deputy Administrator Residential, DCFS, DHHS, stated the youth were not court-ordered: they were either placed there by their parents or had attended lower levels of care, and their behavior had raised them to Residential Treatment Center (RTC) status.

Senator Kieckhefer asked whether there would potentially be a concern when a parent or guardian would decide not to put their child in Desert Willow Treatment Center knowing they would now be mixed with youth who would otherwise be in a detention facility.

Ms. Miller said it might be a concern, but it was a very fine line between the youth in the RTC currently and those that had made it across the line to juvenile justice. She said there were presently similar concerns from parents.

Senator Settlemeyer noted that a choice was sometimes not much of a choice, and he wanted to make sure that was on the record.

Assemblyman Thompson referred to option 2 and asked whether juvenile justice staff had been informed and consulted regarding the possible elimination of overtime. He wondered whether some seasoned staff would resign because they were used to, or depended on, the overtime.

Mr. Armstrong said staff had not been consulted about whether there were some employees who were remaining in their positions because of the overtime. Currently there were a lot of employee complaints about the requirement for overtime.

Assemblyman Thompson asked whether the academic teachers were P.O.S.T.-certified and also, if option 4 was selected, whether Desert Willow Treatment Center could be opened with 10 beds instead of the recommended 20 beds.

Mr. Armstrong explained that the only staff at juvenile justice facilities that were P.O.S.T.-certified were the corrections officers at Summit View Youth Center. The group supervisor class, which counted toward the PREA ratios, received police/fire compensation and the teachers did not. The group supervisors received additional training on how to work with youth if problems occurred. Mr. Armstrong said that if the Subcommittees wanted to increase only 10 beds at Desert Willow Treatment Center, the Division would work with Fiscal Analysis Division staff to help create an appropriate decision unit.

Assemblywoman Titus said she opened this discussion by stating her opposition to option 4, but hearing the discussion and having her concerns addressed made her realize that many youth were in juvenile justice facilities when they needed to be evaluated and treated. She did not think just housing youth was acceptable, and perhaps expanding Desert Willow Treatment Center was a good idea.

Mr. Kucera stated that none of the options were mutually exclusive or jointly exhaustive. If the Subcommittees decided that option 4 was desirable at any level, that option could be considered on its own or it could be considered in combination with reductions at Caliente Youth Center, with reductions at NYTC, or none of the above. He said there were a myriad of options available, and different components of those options could be mixed and matched based on the Subcommittees' choice.

Chair Benitez-Thompson stated that a lot of information had been received, and there would be no action taken on this budget today. She requested DCFS to continue to work with Fiscal Analysis Division staff so when the time came to close this budget, the Subcommittees would have sufficient details.

**DIVISION OF CHILD AND FAMILY SERVICES**  
**CHILD WELFARE CHILD CARE AND RESPITE SERVICES**  
**WASHOE COUNTY CHILD WELFARE, BUDGET ACCOUNT 3141**  
**CLARK COUNTY CHILD WELFARE, BUDGET ACCOUNT 3142**

John Kucera, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB), presented budget account (BA) 3141 and BA 3142. Mr. Kucera said the Governor recommended \$702,000 in General Fund appropriations statewide over the 2019-2021 biennium to fund childcare and respite services with the three DCFS child welfare budgets of Washoe County Child Welfare, Clark County Child Welfare, and Rural Child Welfare. Fiscal Analysis Division staff noted that the Governor's recommendation represented a new caseload that would be funded outside of the block-grant mechanism approved by the 2011 Legislature for Washoe County and Clark County Child Welfare budgets. As Rural Child Welfare was not funded through a block grant, the majority of the conversation would focus on the urban counties.

According to Mr. Kucera, statutes provided for a block grant for provision of funds from the state to the child welfare agencies in Clark and Washoe counties. There was a single exception to this block-grant funding mechanism included in adoption subsidies. The 2011 Legislature wanted to incentivize additional adoptions so these agencies, through a categorical grant, received caseload growth every biennium, and unspent General Funds were reverted.

In general, the liability of the state was limited for a block grant, as caseload costs did not grow over time. The recipients, in this case Clark County and Washoe County, did not have to revert unspent monies and had more discretion and flexibility in spending. However, from the recipient perspective, caseload growth was not funded. Using a categorical funding approach, the state was liable for additional caseload growth, and recipients were accountable to the state for spending. Mr. Kucera said the line items were reported to Fiscal Analysis Division staff and reviewed in categories, and monies were only transferred between categories with the approval of the Interim Finance Committee (IFC). The recipients were

required to revert unspent monies; however, caseload growth for adoption subsidies was funded. In this case, if childcare and respite services increased over the biennium, additional caseload growth would be funded through General Funds. Fiscal staff noted that urban counties could use county general funds or child welfare block grants to fund supportive respite and childcare services; however, the Governor's recommended budget included only state General Fund appropriations.

The Governor-recommended amounts for childcare services in Clark County was \$60,000 and in Washoe County, \$130,000 for the 2019-2021 biennium. Fiscal staff noted that the amount for Washoe County was based on a full year of program experience in fiscal year (FY) 2018, whereas the amount for Clark County as recommended by the Governor was based on estimates.

Mr. Kucera also noted that the majority of childcare funding was provided by the Division of Welfare and Supportive Services through the federal Child Care and Development Block Grant. Subsidy rates were paid between the 55th and 75th percentile of market-rate expenditures based on the Quality Rating Improvement System (QRIS) star rating of each provider. Foster families were typically eligible for the subsidies; however, there was no means test for foster families, and generally, according to the Division of Welfare and Supportive Services (DWSS), working foster families were eligible for the subsidy.

According to the DCFS, there were three limitations of the DWSS childcare program that child welfare agencies were seeking to fill through the funding of childcare and respite services. First, enrollment in the DWSS program was not instantaneous and took between two and four weeks for initial eligibility. Second, there were a limited number of providers who accepted the welfare subsidy in full. As a result, foster families would either pay the difference between the subsidy rates or have to wait for a subsidy slot to become available. Finally, Mr. Kucera said DWSS's program did not currently fund respite services.

In summary, DCFS childcare and respite services would fill the following gaps in the DWSS program as follows:

1. Fund childcare during the two-to-four week timeframe while a foster family becomes eligible for the DWSS program.
2. Fund the difference in childcare service needs between the subsidy rate and the market rate.
3. Fund respite services.

Mr. Kucera said the second major issue identified by Fiscal staff was the funding requests through the counties. Washoe County, again, included a full year of experience and indicated no change or concern with the Governor-recommended figures. However, in the previous budget hearing on March 28, 2019, Clark County testified that the amounts included in the Governor's recommended budget would be insufficient to meet the needs of its population, and in fact, childcare need was approximately \$1.9 million per year in addition to the \$400,000 required to fund respite care. Including both of these services, Clark County Department of Family Services estimated that the funding need over the biennium would be approximately \$4.6 million, funded entirely by General Fund appropriations, compared to the \$160,000 recommended by the Governor.

Additionally, Assembly Bill (A.B.) 234 as introduced would expand services provided to foster families through the Child Care and Development Block Grant. There was a potential for some duplication of services as both the child welfare budgets and A.B. 234 expanded into the welfare program. Mr. Kucera said the additional funds recommended by the Governor and the child agency budgets sought to expand the provision of childcare funding to foster families through different funding mechanisms and through different state agencies.

In summary, Mr. Kucera said there were three primary issues of concern related to the child care and respite recommendations by the Governor. First was the block grant or categorical funding approach to fund the child care and respite services caseload. Second was the deviation between the Governor's recommended amounts and what Clark County noted was needed to provide those services. Third was the potential duplication of funding in A.B. 234 and the child welfare budgets. Fiscal staff noted feedback from the Subcommittees would be incorporated into the closing document to assemble any combination of options or considerations as the Subcommittees saw fit.

Assemblywoman Carlton said she would begin the conversation about block grants and even though she did not particularly care for block grants, she said they worked. The main item she noticed was the difference between the dollars appropriated to Clark County versus the amount appropriated to Washoe County. Assemblywoman Carlton said she did not mean this to be a regional thing, but Clark County would receive \$160,000 for childcare and respite, whereas Washoe County, with a smaller population, would receive \$490,000 between childcare and respite. She was interested in more equity of distribution because of the need of foster children and parents in Clark County, and whatever could be done to support foster parents, especially on the respite side, was important.

Senator Kieckhefer stated he supported the block grant, particularly in this program. He believed the program was working, and the disparity in the amounts between the two counties stood out in the first hearing. He noted that amount was not what the counties were receiving currently, as those figures were based on Washoe County actuals and then an estimate for Clark County. If Senator Kieckhefer understood correctly, the state did not



currently fund those services, so there was no disparity in what the counties were now receiving.

Mr. Kucera confirmed that Senator Kieckhefer was correct.

Senator Kieckhefer said if the recommendation for Washoe County was based on actual figures, some multiplier above that would be expected for Clark County. His biggest problem with this budget was what was estimated and what would be required to actually create this new state-funded support program: another \$4.5 million was not an insignificant amount.

Assemblywoman Carlton said she believed that respite care to foster families was based on 14 days of respite, and there were possibly a couple of variables for the Subcommittees' consideration. For instance, whether a 7-day respite for foster parents was a possibility instead of a 14-day respite.

Chair Benitez-Thompson said the Subcommittees had an estimate of what 14 days of respite would cost as well as a breakdown of how Clark County would use that respite funding. She requested that Fiscal Analysis Division staff break down the funding.

Mr. Kucera stated that according to documents submitted the day before, Clark County's \$400,000 estimate was comprised of 14 days of respite care at either \$15 per day for standard foster homes, \$35 per day for specialized foster homes, or \$50 per day for advanced foster homes based on the populations within each of those categories, which was approximately 1,000 children in standard foster care, 350 children in specialized foster care, and 30 children in advanced foster care. At 14 days of respite per foster parent, Clark County's estimated cost was approximately \$400,000 per year for respite need.

Assemblywoman Spiegel wondered whether there was a sense of how many respite days the foster parents actually needed and would use.

Chair Benitez-Thompson said Fiscal staff did not have the information to answer that question, but if someone from the agency could speak to that it would be helpful.

Mr. Armstrong stated that Jill Marano from Clark County Family Services could probably answer that question.

Jill Marano, Assistant Administrator, Family Services, Clark County, requested clarification of the question.

Assemblywoman Spiegel said her question was how many days of respite were anticipated for each of the different categories.

Ms. Marano said it had been estimated from regular foster care that only about 1,000 children would access this service. There were more than 1,000 children in regular foster care, probably closer to 2,000 children. One of the things families were encouraged to do was to use their natural support systems, and if the family needed to go out of town for the weekend and they could not take the children with them, they were encouraged to use aunts, uncles, or neighbors as caregivers, as they would with their biological children. Ms. Marano said families were encouraged to treat foster children the same as biological children, and less of a need for respite services was anticipated with regular foster children. Children in specialized foster care homes and advanced foster care homes had higher behavioral and mental health needs, which was why funding was increased in those categories.

Assemblywoman Spiegel thanked Ms. Marano for her explanation, but said that was not her question. For example, there were approximately 2,000 children in regular foster care and Clark County Family Services forecast that only about half of the families would have a need for respite services. Assemblywoman Spiegel said she was trying to determine how the agency arrived at the 14-day figure, and she was just asking for the base numbers.

Ms. Marano said that 14 days of respite care was a long-standing policy of Clark County Family Services and was not based on anything other than what had been marketed or told to foster parents.

Assemblywoman Spiegel asked for data that showed how respite care worked.

Ms. Marano said Clark County Family Services tracked and documented when children were placed in respite care.

Chair Benitez-Thompson suggested Subcommittee members consider the discussion today and make the decisions at closing.

Assembly Committee on Ways and Means  
Senate Committee on Finance  
Subcommittees on Human Services  
April 10, 2019  
Page 19

Chair Benitez-Thompson called for public comment and, hearing none, adjourned the meeting at 9:28 a.m.

RESPECTFULLY SUBMITTED:

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Anne Bowen  
Committee Secretary

APPROVED BY:

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Assemblywoman Teresa Benitez-Thompson, Chair

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

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Senator Moises Denis, Chair

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

## **EXHIBITS**

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.