HUMAN SERVICES JOINT SUBCOMMITTEE
CLOSING LIST #8
April 30, 2025

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Submitted by: Kimbra Ellsworth and Daniel Miller

Title: DHS-ADSD - EARLY INTERVENTION SERVICES **Budget Page:** DHS-ADSD-54, **Volume II**
Account: 101 - 3208

Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	38,861,714	39,718,736	2.21	34,832,354	(12.30)	37,051,811	6.37
FEDERAL FUND	557,218	451,669	(18.94)	590,062	30.64	632,767	7.24
INTERAGENCY TRANSFER	9,456,512	6,320,114	(33.17)	7,178,669	13.58	7,046,921	(1.84)
BALANCE FORWARD	292,146	151,593	(48.11)				
REVERSIONS	(1,007,935)						
Total Revenues	48,159,655	46,642,112	(3.15)	42,601,085	(8.66)	44,731,499	5.00
Total FTE		207.39		225.13		236.13	

Overview

Early Intervention Services (EIS) works to identify infants and toddlers who have, or are at risk for, developmental delays in the areas of cognition, communication, physical development, social/emotional development, and adaptive skills. The program provides services and support for families with children under the age of three who have developmental delays and helps facilitate the children's learning and individualized development in concert with the family. Specialized therapies and case management are provided by state EIS clinic staff and contracted therapists, as well as community providers. Funding is provided primarily through General Fund appropriations, but also includes federal Individuals with Disabilities Education Act (IDEA) Part C grant revenue and reimbursements from Medicaid and private medical insurance. The federal IDEA Part C grant has a maintenance of effort requirement, so all General Fund appropriations added to this budget, and expended in the upcoming biennium, must be continued in successive fiscal years for the state to remain in compliance.

Major Closing Issues

1. Caseload Growth and Staffing Adjustments
2. Community Provider Payment Model Change
3. New Unclassified Medical Epidemiologist

Discussion of Major Closing Issues

1. Caseload Growth and Staffing Adjustments (M201 & M202, DHS-ADSD-56)

Recommendation: The Governor recommends total funding of $8.5 million ($7.6 million General Fund appropriations) over the 2025-27 Biennium to fund projected caseload changes and associated staffing adjustments for the EIS program.

Summary of Issue: The Executive Budget recommends total funding of $3.1 million ($2.7 million General Fund) in FY 2026 and $5.4 million ($4.9 million General Fund) in FY 2027 to increase the EIS program caseload, align caseload staffing, and establish and modify certain staffing ratios, including a net increase of 33 positions with associated costs over the 2025-27 Biennium.

Details Provided During the Subcommittee Hearing: The Governor recommends increasing the average number of children served per month in the EIS program, from 3,993 children in FY 2025 to 4,288 in FY 2027, representing an increase of 295 children (7.4%) over the biennium, based on October 2024 agency projections.

Decision Unit M202 funds the difference between the projected caseload in FY 2025 and each year of the upcoming biennium, for estimated service costs of $1.5 million in FY 2026 and $2.0 million in FY 2027, based on the legislatively approved monthly service cost per child of $317.81 with the state clinic (excludes overhead costs for personnel and operating) and $794.88 with community providers. The decision unit contains $3.0 million in General Fund appropriations, reimbursements of $298,710 from Medicaid, and $116,737 from private insurance over the biennium, based on average receipts for service costs.

Decision Unit M201 funds 33 (net) additional positions with associated travel, operating, and equipment costs over the 2025-27 Biennium, to provide case management and direct services, with total costs of $1.6 million in FY 2026 and $3.4 million in FY 2027, based on projected growth in the state caseload. The recommendation aligns case workers and supervisors with projected caseload work, based on the previously approved staffing ratio of 1 case worker to every 19 clients. It also adds 2 Psychological Development Counselors and 2 Health Program Managers and would establish staffing ratios of 1 psychological position to approximately 500 clients, and 1 manager to every 7 supervisor and psychological positions, based on current needs to serve the caseload, according to the agency. The recommendation also changes the staffing ratio for administrative support staff from 1:7 to 1:8, to provide administrative support to case workers and quality assurance staff. The agency indicates these proposed staffing ratios and new positions are recommended to standardize the caseload staffing ratios for all division programs.

Hearing Discussion and Post-Hearing Update/Information: During the February 25, 2025, budget hearing, the agency explained that two community providers were recently taken out of rotation and temporarily unavailable for referrals, which impacted the caseloads of all other providers. The rotation holds have shifted the caseload to more clients with the state clinic. However, the agency indicated that the state would prefer to not be the main source of services in the long-term. The agency's goal for the program is to have the community providers caseload increase, and the state's role to shift to providing technical assistance, training, and oversight for the community providers.

March Caseload Update: The agency provided updated caseload projections calculated in March 2025 using actual caseload data through February 2025. The monthly average caseload for the EIS program is projected to increase from 3,804 children in FY 2025 to 3,972 in FY 2027, representing an increase of 168 children (4.4%) over the 2025-27 Biennium, based on the March 2025 projections. Compared to the projections that were used to prepare the recommendation in The Executive Budget, the updated caseload projections are slightly lower for each year in the upcoming biennium. Decision Unit M202 adds service costs associated with the caseload changes, based on the updated projections, of $1.3 million ($1.2 million General Fund) over the 2025-27 Biennium. The following table summarizes the projected caseload growth in the upcoming biennium, and compares the projections used in The Executive Budget with the updated projections from March 2023.

Early Intervention Services Monthly Average Caseload, 2025-27 Biennium				
Early Intervention Services	**FY 2024 Actual**	**FY 2025 Projected**	**FY 2026 Projected**	**FY 2027 Projected**
***Governor Recommends*[1]**				
Early Intervention Services State Clinic Staff	1,982	2,152	2,245	2,308
Early Intervention Services Community Providers	1,916	1,842	1,929	1,980
Total Caseload	**3,898**	**3,993**	**4,173**	**4,288**
Annual Change	n/a	95	180	115
Percent Change	n/a	2.4%	4.5%	2.8%
State Staff/Community Providers Split	*51%/49%*	*54%/46%*	*54%/46%*	*54%/46%*
March 2025 Projection				
Early Intervention Services	**FY 2024 Actual**	**FY 2025 Projected**	**FY 2026 Projected**	**FY 2027 Projected**
Early Intervention Services State Clinic Staff	1,982	2,050	2,052	2,099
Early Intervention Services Community Providers	1,916	1,754	1,873	1,873
Total Caseload	**3,898**	**3,804**	**3,925**	**3,972**
Annual Change	n/a	-94	121	47
Percent Change	n/a	-2.4%	3.2%	1.2%
State Staff/Community Providers Split	*51%/49%*	*54%/46%*	*52%/48%*	*53%/47%*
Difference from Governor Recommends		*-189*	*-248*	*-316*
Percent Change		*-4.7%*	*-6.0%*	*-7.4%*

[1]Based on October 2024 agency projections. The Executive Budget references the ending month of the projected caseload for each fiscal year, as opposed to the monthly average projected caseload displayed in the table.

The EIS caseload is split between the state and community providers, and families have flexibility in selecting service providers to the extent that funding is available. As shown in the previous table, the projected caseload for the upcoming biennium would place 53% of the children receiving service with state clinic staff and 47% with community providers at the end of the 2025-27 Biennium.

Staffing Adjustments: As noted previously, Decision Unit M201 includes adjustments to staffing levels based on the agency's projected caseload and the recommended staffing ratios. Based on the updated caseload projections, Decision Unit M201 adds 16 new positions (14 in FY 2026 and 2 in FY 2027) with associated travel, operating, and equipment costs, for a total cost of $2.4 million ($2.1 million General Fund) over the 2025-27 Biennium. The updated caseload projection results in 17 fewer positions compared to the recommendation in The Executive Budget ($3.4 million over the biennium). The following table summarizes the new positions that are recommended to be added based on projected caseload growth during the upcoming biennium, and compares the staffing recommended in The Executive Budget with the staffing adjustments based on the updated projections from March 2025.

Early Intervention Services Recommended Caseload Staffing Adjustments (M201), 2025-27 Biennium		
Governor Recommends		
Position Title	**Start Date**	**# Positions**
Administrative Assistant 1 (Grade 25)	7/1/2025	-1
Developmental Specialist 3 (Grade 35)	10/1/2025	12
Developmental Specialist 4 (Grade 37)	10/1/2025	4
Psychological Development Counselor 2 (Grade 37)	10/1/2025	3
Health Program Manager 2 (Grade 39)	10/1/2025	1
Administrative Assistant 1 (Grade 25)	10/1/2025	-4
Developmental Specialist 3 (Grade 35)	4/1/2026	5
Developmental Specialist 4 (Grade 37)	4/1/2026	2
Psychological Development Counselor 2 (Grade 37)	4/1/2026	2
Developmental Specialist 3 (Grade 35)	10/1/2026	6
Developmental Specialist 4 (Grade 37)	10/1/2026	1
Health Program Manager 2 (Grade 39)	10/1/2026	1
Administrative Assistant 3 (Grade 27)	10/1/2025	1
	Total Positions	**33**
March 2025 Projection		
Position Title	**Start Date**	**# Positions**
Administrative Assistant 1 (Grade 25)	7/1/2025	-1
Developmental Specialist 3 (Grade 35)	10/1/2025	2
Developmental Specialist 4 (Grade 37)	10/1/2025	1
Psychological Development Counselor 2 (Grade 37)	10/1/2025	1
Administrative Assistant 1 (Grade 25)	10/1/2025	-4
Administrative Assistant 4 (Grade 29)	10/1/2025	-1
Psychological Development Counselor 2 (Grade 37)	1/1/2026	2
Developmental Specialist 3 (Grade 35)	1/1/2026	4
Developmental Specialist 4 (Grade 37)	1/1/2026	1
Administrative Assistant 3 (Grade 27)	1/1/2026	1
Developmental Specialist 3 (Grade 35)	4/1/2026	3
Developmental Specialist 4 (Grade 37)	4/1/2026	2
Health Program Manager 2 (Grade 39)	4/1/2026	1
Psychological Development Counselor 2 (Grade 37)	4/1/2026	1
Developmental Specialist 3 (Grade 35)	10/1/2026	1
Developmental Specialist 3 (Grade 35)	1/1/2027	2
	Total Positions	**16**
	Difference from Governor Recommends	*-17*
	Percent Change	*-51.5%*

Budget Amendment A253693208: On February 28, 2025, the Governor's Finance Office transmitted Budget Amendment A253693208, which changes the recommended caseload positions with start dates of October 2025, to start in January 2026, to reduce costs. Based on the updated caseload projections, the budget amendment changes the start date for four positions, from October 1, 2025, to January 1, 2026, which results in savings of $100,298 ($82,244 General Fund savings) in FY 2026 and would provide additional time for hiring activities. However, the agency indicates that delaying the position start dates may lead to higher staff-to-caseload ratios and increased wait times for children needing services, if the caseload increases as projected. The following table summarizes the funding recommended in The Executive Budget, and cost savings based on the March 2025 caseload projections and the budget amendment.

Early Intervention Services
Caseload Funding Adjustments (M200 & M201), 2025-27 Biennium

	General Funds	Other Funds	Biennium Total
Governor Recommends (10/2024 Projection)	$ 7,600,602	$ 860,969	$ 8,461,571
Caseload Update (3/2025 Projection)[1]	$ (4,339,061)	$ (383,230)	$ (4,722,291)
Subtotal	*$ 3,261,541*	*$ 477,739*	*$ 3,739,280*
Budget Amendment (A253693208)[2]	$ (82,244)	$ (18,054)	$ (100,298)
Total Adjusted Cost	**$ 3,179,297**	**$ 459,685**	**$ 3,638,982**
Difference from Governor Recommends	*$ (4,421,305)*	*$ (401,284)*	*$ (4,822,589)*
Percent Change	*-58%*	*-47%*	*-57%*

[1] Changes caseload staffing, associated service and provider costs, based on updated caseload projections.
[2] Changes start date for four positions from October 2024 to January 2026.

Due to the adjustments associated with the March 2025 caseload projections and considering the budget amendment, the updated service costs (M200) and staffing adjustments (M201 as amended) result in net costs of $3.6 million ($3.2 million General Fund appropriations) over the 2025-27 Biennium, which is a decrease of $4.8 million ($4.4 million General Fund savings) compared to The Executive Budget ($8.5 million) over the 2025-27 Biennium.

Decision for the Subcommittee:
Does the Subcommittee wish to recommend approval of $3.6 million ($3.2 million General Fund appropriations) over the 2025-27 Biennium to fund projected caseload changes for the EIS program, including associated service costs and staffing adjustments based on the March 2025 updated caseload projections, and with Budget Amendment A253693208 to delay four position start dates?

2. Community Provider Payment Model Change (E266, DHS-ADSD-59)

Recommendation: The Governor recommends General Fund reductions of $23.7 million over the 2025-27 Biennium to replace the current cost per eligible capitated payment model with a fee-for-service payment model for EIS community providers.

Summary of Issue: The Executive Budget includes General Fund savings of $11.7 million in FY 2026 and $12.0 million in FY 2027 to change the payment model for EIS community providers by replacing the current cost per eligible capitated rate of payment with a fee-for-service model that would provide temporary transitional "add on" payments from the program as the payor of last resort.

Details Provided During the Subcommittee Hearing: As background, the EIS program currently pays community providers a capitated monthly rate per child receiving early intervention services. The 82nd (2023) Legislature approved an increase in the rate paid to community providers, from $565 to $794.88 per child, per month, effective July 1, 2024. Based on a rate study that was completed in June 2022, which informed the rate change, the provider rate payment of $794.88 reflects the total revenue needed to cover the cost per child served, regardless of the payer. That is, currently, community providers collect up to $794.88 per month per child from all payers. However, under the current model, reimbursements from other funding sources are not being maximized to offset payments from the program, thus the primary payer is the state. Further, the agency indicated that during internal budget discussions, it was identified that the current capitated payment process is not compliant with Medicaid payment-in-full rules and federal Office of Special Education Programs payor of last resort billing regulations (34 CFR §303.510 (a)).

To ensure compliance with federal rules and regulations and maximize financial resources, the Governor recommends a change from current practice, wherein community providers would bill, receive, and retain payments from private insurance or Medicaid for each service provided. The recommendation would change the current capitated payment model ($794.88 per child, per month) to a fee-for-service model that requires providers bill other funding sources prior to receiving payment from the state. It includes an "add-on" payment to community providers of $199 for each insured eligible child to cover non-billable program support services and administrative costs, as well as a payment in the amount of $794.88 per month for each uninsured eligible child during the 2025-27 Biennium.

Further, an additional temporary "add-on" payment for community providers is recommended in The Executive Budget from the Department of Health and Human Services Fund for a Resilient Nevada budget account (which was heard by the Subcommittee on February 6, 2025) in the amount of $88.94 in FY 2026 and $120.72 in FY 2027 per insured and uninsured child per month. In addition to the insurance revenue received, this would provide community providers an add-on payment of $287.94 in FY 2026 and $319.72 in FY 2027 for the insured population when added to the $199 "add-on" payment in this recommendation. The agency indicates the amount was determined based on cost analysis in the 2022 rate study for activities that are not billable or covered by Medicaid or private insurance. The add-on payments would be temporary transitional payments, according to the agency, to support community providers in non-covered/non-billable activities that are required by IDEA Part C.

The recommendation would result in General Fund savings of $11.7 million in FY 2026 and $12.0 million in FY 2027, based on October 2024 agency caseload projections. The projected savings consider all community providers billing and receiving payments from private insurance and Medicaid FFS and MCO-eligible children and collecting add-on payments from the state. All community providers are credentialed to provide services, enrolled with Nevada Medicaid, and enrolled with most private insurers. The agency indicates that if there are private insurance companies that providers are not currently contracted with, there would be adequate time to apply for those credentials and have an effective date of July 1, 2025. Additionally, to implement the new model, existing agreements with providers would need to be modified to reflect process changes, including updates to billing procedures, service documentation requirements, provider scope of work, service agreements, and financial reporting expectations.

Under the current payment model, providers receive a monthly per-child payment of $794.88, for each active case, which should be reduced by any reimbursements from Medicaid or private insurance, which ensures that state and federal IDEA Part C funds serve as the payor of last resort. Currently, all providers are required to bill Medicaid, and while they are billing a portion of what could be recouped from Medicaid, the agency indicates there is room for improvement in maximizing these reimbursements. The agency explained that the current process does not hold providers accountable for timely and accurate billing and does not require follow-up on claim denials, thus the state payment is then made for services that were covered by other funding sources. To support the transition to holding providers accountable to billing for reimbursement from

other funding sources prior to receiving payment from the state, the provider scope of work would be amended to provide clear guidance on billing requirements, ensuring consistent and comprehensive Medicaid billing practices across all providers. In response to questions following the Legislative Commission's Budget Subcommittee hearing on January 27, 2025, the agency indicated it plans to work collaboratively with providers and stakeholders throughout the transition period to provide support and ensure families maintain access to services.

The EIS program receives funding from the federal IDEA Part C grant, which has a maintenance of effort requirement, which means all General Fund appropriations budgeted and expended must be continued in successive fiscal years for the state to remain in compliance. In response to follow-up questions from the Legislative Commission's Budget Subcommittee hearing on January 27, 2025, the agency indicated that the IDEA Part C Office and Aging and Disability Services Division (ADSD) leadership had met with the federal Office of Special Education Programs to discuss Nevada's ability to meet the federal maintenance of effort requirement with this recommendation in The Executive Budget. The agency indicated it received guidance on the appropriate expenditures for the maintenance of effort calculation, which includes funds that were not previously counted, such as the state share of Medicaid reimbursements and state funds expended for state staff in quality assurance and program teams. While calculations were not provided, the agency indicates it currently believes the program will meet the maintenance of effort requirements with the transition to the new payment model, and that it will continue to monitor maintenance of effort closely and work with the Office of Special Education Programs to address any issues that arise during the transition.

In response to follow-up questions from the Legislative Commission's Budget Subcommittee hearing on January 27, 2025, the agency provided the following information to summarize advantages and disadvantages of the current and recommended payment models.

Early Intervention Services Comparison of Payment Models

	Capitated Payment Model (Current Model)	Fee-for-Service Model (Governor's Recommendation)
Payment Structure	Providers receive fixed dollar amount per child, regardless of the number of services a child receives.	Providers are reimbursed for each individual service delivered.
Financial Risk	Providers receive a guaranteed payment from the state for unreimbursed services, including billing errors. The state covers the cost of services that are reimbursable through other sources. State and federal funds are not being utilized as the payor of last resort.	Providers must submit timely and clean billing claims to receive payment for covered services.
Incentives	Providers receive full payment for all active service plans, regardless of the number of services children receive.	Incentivizes increased service utilization, resulting in children receiving more services and increased provider revenue.
Administrative Burden	Lower administrative burden for providers due to capitated payment being received regardless of the number of services billed.	Higher administrative burden for providers due to the need to submit claims for each service delivered.
Federal Allowability	Conflicts with Office of Special Education Programs and Medicaid payor of last resort regulations.	Minimizes risk of audit findings.

Hearing Discussion and Post-Hearing Update/Information: During the February 25, 2025, budget hearing, the Subcommittee identified concerns with meeting maintenance of effort requirements, as well as whether the proposal in The Executive Budget would be a sustainable model for community providers.

Maintenance of Effort: As noted previously, to demonstrate compliance with the federal IDEA Part C maintenance of effort requirement for early intervention services (34 CFR §303.225(b)), a state must budget at least the same amount of state and local public funds for early intervention services as it expended in the most recent preceding fiscal year for which the information is available. Generally, this means that all General Fund appropriations budgeted and expended for the program must be continued in successive fiscal years for the state to remain in compliance. If approved as recommended in The Executive Budget, the state funds allocated directly to program services would be lower than in prior years. Utilizing the amount of General Fund appropriations that supported expenditures from the Early Intervention Services budget account for direct services and staff in FY 2024, which is the most recent preceding fiscal year for which the information is available, Fiscal staff estimates a baseline of $39.4 million. According to Fiscal staff's calculations, excluding state funds recommended in other budget accounts, General Fund appropriations of $6.9 million over the 2025-27 Biennium would need to be added to the Governor's recommendation in the Early Intervention Services budget account to meet the maintenance of effort baseline.

In response to follow-up questions, the agency noted a primary issue with the current payment model is that a high number of families decline consent for community providers to bill their insurance for services. Federal regulations (34 CFR §303.520) require the program to obtain consent from families in order to bill their insurance for early intervention services. In Nevada, the agency and community providers seek consent to bill insurance from the families they serve; however, families may decline consent without any impact to the services received. The agency noted that an insurance assistance program to fund families' insurance deductibles and cost shares may help to encourage families with high deductibles, coverage limitations, or other cost barriers to provide consent for providers to bill their private insurance for covered services.

Pursuant to 34 CFR §303.520(b)(2), the consent to bill requirements do not apply if a state enacts certain statutory requirements regarding the use of families' private insurance coverage to pay for early intervention services including no-cost protections for families. Further, for maintenance of effort considerations, pursuant to 34 CFR §303.520(b)(3), if a state enacts legislation that meets the requirements of 34 CFR §303.520(b)(2), the state may re-establish a new baseline of state and local expenditures under 34 CFR §303.225(b) in the next federal fiscal year following the effective date of the legislation.

Budget Work Session: At the request of Fiscal staff following the budget hearing, the agency provided three alternative scenarios to alleviate some of the concerns identified and still change the payment model for EIS community providers to fee-for-service. On April 11, 2025, Fiscal staff presented options at a work session for consideration by the Subcommittee, which included the Governor's recommendations and four alternative scenarios, which are summarized in Appendix A.

During the work session, the Subcommittee discussed concerns about the program's compliance with the federal Office of Special Education Programs payor of last resort (34 CFR §303.510[a]) and Medicaid payment in full (42 CFR §447.15) billing rules, and noted that state policies for early intervention services must be updated in order to address these concerns. It was also noted that the agency should work in collaboration with providers to ensure program compliance, and that, regardless of the decision, a letter of intent is needed to follow up on the program's status and progress in addressing the federal compliance concerns.

Additionally, the Subcommittee noted that providers would need time to transition to a new payment model, in order to ensure financial sustainability and maintain services. It was also noted that there were additional solutions that should be considered, such as Medicaid bundled payments. Community providers testified that they incur costs for administrative and travel time, as well as a number of services that are not reimbursable. The Subcommittee also noted that state funding for early intervention services is an investment to set children up for long-term success, and that the agency and community providers should collaborate to develop other options or creative solutions.

Given the federal maintenance of effort requirements and concerns regarding sustainability for community providers, the Subcommittee directed Fiscal staff during the work session to present the closing option that the Subcommittee recommend not approving the Governor's recommendation (Decision Unit E266) and instead maintain the current payment model, which provides a monthly per child capitated payment ($794.88) for all children on the community providers caseload. Retaining the current payment model would require additional General Fund appropriations of $10.9 million in each year of the 2025-27 Biennium compared to the Governor's recommendation, based on the March 2025 caseload projections. Additionally, the total funding in this budget would exceed the FY 2024 actual expenditures supported with state funds, ensuring compliance with the federal maintenance of effort requirement in the upcoming biennium. However, the current compliance issues with federal billing rules would remain concerns.

The Subcommittee also directed Fiscal staff at the work session to include an option at closing to recommend a letter of intent be issued to instruct the agency to report to the Interim Finance Committee by July 1, 2026, on the EIS program's progress in addressing the federal compliance concerns and any recommendations for program, policy, or statutory changes for consideration by the next Legislature, including a transition plan to ensure provider sustainability with any recommended payment model change; as well as establishing a consistent methodology for the calculation of the state's maintenance of effort baseline.

Additionally, as noted previously, an additional add-on payment is recommended by the Governor from the Department of Health and Human Services' Fund for a Resilient Nevada budget account (BA 3060), Decision Unit E225, in the amount of $88.94 in FY 2026 and $120.72 in FY 2027 per child, per month, for the community providers caseload. The add-on payments would be temporary during the 2025-27 Biennium, according to the Governor's recommendation, to help fund activities that are required by IDEA Part C but which are not billable or covered by Medicaid or private insurance. The additional funding for payments to community providers would total $2.0 million in FY 2026 and $2.7 million in FY 2027, based on March 2025 caseload projections, which is in addition to the funding recommended in the Early Intervention Services budget account. During the April 8, 2025, closing of the Fund for a Resilient Nevada budget account, the Subcommittee deferred this decision and recommended that decisions regarding early intervention services be made during the closing of the Early Intervention Services budget account. If the add-on payment is approved, to help facilitate provider payments, the Subcommittee may wish to recommend technical adjustments to transfer the opioid settlement funds from the Fund for a Resilient Nevada budget account to the Early Intervention Services budget account.

Decision for the Subcommittee:
Does the Subcommittee wish to recommend not approving the Governor's recommendation to change the community providers payment model (Decision Unit E266) and instead recommend additional General Fund appropriations of $10.9 million in each year of the 2025-27 Biennium to maintain the current payment model for EIS community providers based on the March 2025 caseload projections?

AND

Does the Subcommittee wish to recommend issuing a letter of intent to the ADSD to report to the Interim Finance Committee during the 2025-26 Interim on the EIS program's compliance with federal billing rules, as well as the methodology for calculating the state's maintenance of effort baseline, and any recommended policy, statutory, or program changes, including a transition plan for any payment model change?

AND

Does the Subcommittee wish to recommend approval of opioid settlement funds of $2.0 million in FY 2026 and $2.7 million in FY 2027 to fund add-on payments of $88.94 in FY 2026 and $120.72 in FY 2027 per child, per month, for the community providers caseload, including the noted technical adjustments to transfer the funding from the Fund for a Resilient Nevada budget account to the Early Intervention Services budget account?

3. New Unclassified Medical Epidemiologist (E260, DHS-ADSD-58)

Recommendation: The Governor recommends $633,801 in opioid settlement funds over the 2025-27 Biennium, transferred from the Fund for a Resilient Nevada, for a new unclassified Medical Epidemiologist position (annual salary of $219,975) and associated costs, to study the impact of opioids on the newborn population.

Summary of Issue: The Medical Epidemiologist is recommended to study how opioid use and related health conditions affect the newborn population, to help guide data-driven decision-making. The new position would assist in developing recommendations, health interventions, and policies to mitigate the impact of opioids on newborns and developing children.

Details Provided During the Subcommittee Hearing: The Governor recommends a new unclassified Medical Epidemiologist position (annual salary of $219,975) to improve health outcomes and reduce harm related to opioids. This decision unit is a companion to Decision Unit E260 in the Department of Health and Human Services Fund for a Resilient Nevada budget account, which transfers opioid settlement funds to support 100% of the ongoing costs associated with this position. The Fund for a Resilient Nevada budget account, which was heard by the Subcommittee on February 6, 2025, allocates settlement money received by the state from litigation concerning opioids, based on a needs assessment and statewide plan, pursuant to *Nevada Revised Statutes* 433.734

The agency indicates the expertise of a Medical Epidemiologist is crucial for understanding how opioid use and related health outcomes affect newborn children up to adolescence, to inform policy decisions and healthcare practices. The position would analyze trends, causes, and consequences of health and disease phenomena. It would assist to identify patterns, such as analyzing the impact of prenatal substance use among newborns, investigating associated health conditions, examining healthcare utilization patterns, and determining positive health outcomes. It would take the lead in developing health interventions and policies aimed at mitigating the negative impact of opioids on newborns and developing children. The position would

also be involved in the implementation of an interagency collaborative work group to understand the simultaneous occurrence, interaction, and effect of opioid use and certain diseases within populations and develop a statewide syndemic strategy action plan, which would utilize research to inform decisions and determine best practices to improve health outcomes, according to the agency.

Projected costs over the 2025-27 Biennium include: personnel ($499,798) including payroll costs and annual salary of $219,975; information services ($65,483) including software and server costs for mapping opioid usage data; operating ($47,076) including supplies, rent, and communications; travel ($15,064) to attend in-state meetings, site visits and one out-of-state conference per year; and one-time equipment costs ($6,380) for office furniture and computer equipment. The position would start in October 2025. The final salary of the unclassified position in the 2025-27 Biennium would be established in the 2025 Pay Bill.

Hearing Discussion and Post-Hearing Update/Information: During the February 25, 2025, budget hearing, the agency indicated that 12% of the children born in Nevada are affected by gestational exposure to substance abuse. The Medical Epidemiologist position would help identify targeted services and create health interventions to mitigate the negative impacts of opioid and substance abuse, according to the agency. The agency indicates the new position would be focused on the population 0 to 3 years and would support Goal 3 of the Statewide Opioid Plan to reduce harm related to opioid abuse, as well as the Governor's initiative to improve healthcare quality metrics and outcomes.

In response to questions following the budget hearing, the agency indicated the opioid crisis affects different populations in significantly different ways and presents complex and far-reaching public health challenges. The agency indicates the Medical Epidemiologist position would conduct specialized research to understand the impact of opioid abuse on newborns and developing children. The position would enable the agency to take a comprehensive, data-driven approach, and ensure that interventions are timely, relevant, and tailored to the specific needs of that population, according to the agency.

Decision for the Subcommittee:
Does the Subcommittee wish to recommend approval of $633,801 in opioid settlement funds transferred from the Fund for a Resilient Nevada over the 2025-27 Biennium to fund a new unclassified Medical Epidemiologist position, to mitigate the impact of opioids on newborns and developing children?

Other Closing Items

			FY 2026			FY 2027		
Other Items	Category	Description of Decision Unit	General Fund	Federal Funds	Other Funds	General Fund	Federal Funds	Other Funds
1	OPERATING	Supplies and tools to administer standardized assessments for eligibility determinations and curriculum planning. (E253, DHS-ADSD-58)	$ -	$ -	$ 52,441	$ -	$ -	$ 52,441
2		Replacement audiology equipment and ongoing maintenance and calibration costs. (E264, DHS-ADSD-59)	$ -	$ -	$ 31,301	$ -	$ -	$ 2,362
3	STAFFING AND OPERATIONS	Eliminates five vacant positions, including one Clinical Social Worker (Grade 37), one Developmental Specialist 3 (Grade 35), two Developmental Specialist 4s (Grade 37) and one part-time Senior Physician. (E680, DHS-ADSD-59-60)	$(523,428)	$ -	$(34,328)	$(534,072)	$ -	$(35,703)

4	EQUIPMENT REPLACEMENT	Replacement computer hardware and associated software. (E710, DHS-ADSD-60)	$ 135,206	$ -	$ -	$ 135,206	$ -	$ -
5	INFORMATION SERVICES	Software costs for Adobe Acrobat subscription licenses through the OCIO. (E711, DHS-ADSD-60)	$ 11,088	$ -	$ -	$ 11,088	$ -	$ -
6		Software costs for TEAMS phone lines to centralize the division's communication platforms through the OCIO. (E712, DHS-ADSD-61)	$ 23,754	$ -	$ -	$ 23,754	$ -	$ -
7	COST ALLOCATION	Enhancement cost allocation. (E800, DHS-ADSD-61)	$ 75,314	$ 2,196	$ 58,025	$ 37,706	$ 1,099	$ 29,048
8		Maintenance cost allocation. (M800, DHS-ADSD-57)	$ 31,705	$ 924	$ 24,424	$ 39,245	$ 1,144	$ 30,234
9	POSITION TRANSFER OUT	Transfer out Management Analyst (Grade 39, Step 10) to Administration budget, to allow the position to be cost allocated. (E901, DHS-ADSD-62)	$(160,893)	$ -	$ -	$(160,219)	$ -	$ -

Fiscal staff recommends all Other Closing Items be closed as recommended by the Governor, and requests authority to make technical adjustments, as necessary.

Additional Information – No Action Necessary

Transfer of IDEA Part C Office to ADSD (BASE, DHS-ADSD-64): The Governor recommends transferring the IDEA Part C Office and associated budget account from the Director's Office to the ADSD. The IDEA Part C Office serves as the designated lead agency for early intervention services, which are provided to families with children under three years of age who have known or suspected developmental delays in the areas of cognition, communication, physical development, social/ emotional development, and adaptive skills. On April 8, 2025, the Subcommittee closed the IDEA Part C budget account (BA 3276) and recommended approval of the Governor's recommendation to transfer the office to the ADSD.

The agency indicates IDEA Part C would be housed within the division's Quality Assurance Unit to ensure the necessary separation between the service delivery program and the oversight provided by IDEA Part C.

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026	FY 2027
			Gov Rec	Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

ATTACHMENT (1 PAGE)

APPENDIX A

Options Presented at April 11, 2025, Work Session

Early Intervention Services Community Provider Payment Model Options for Consideration Comparison of Total Provider Payments, 2025-27 Biennium[1, 2]						
Description	**FY 2026**		**FY 2027**		**Biennium Total**	
Option A, Governor's Recommendation (BA 3208, E266)						
This option would change the current capitated payment model to fee-for-service effective July 1, 2025, for the insured caseload, including all children with Medicaid or private insurance, and provide a monthly add-on payment of $199 per insured child, to cover non billable program support services and administrative costs, to aid providers with the transition during the 2025 27 Biennium.						
Total Provider Payments	$	6,912,767	$	6,912,767	$	13,825,534
Change from Current Model	*$*	*(10,945,619)*	*$*	*(10,945,619)*	*$*	*(21,891,238)*
Change from Governor's Recommendation		-		-		-
Option B, Phase Down Approach						
This option would phase down the community provider capitated payments and eliminate the current capitated payment by the end of the biennium, transitioning the model over time to fee-for-service for the insured caseload, including all children with Medicaid or private insurance. For the first six months of the 2025-27 Biennium providers would receive 100% of the current monthly rate ($794.88) per insured child, following six months at 75% ($596), six months at 50% ($397), and the last six months at 25% ($199).						
Total Provider Payments	$	16,044,159	$	8,743,595	$	24,787,754
Change from Current Model	*$*	*(1,814,227)*	*$*	*(9,114,791)*	*$*	*(10,929,018)*
Change from Governor's Recommendation	*$*	*9,131,392*	*$*	*1,830,828*	*$*	*10,962,220*
Option C, Insurance Assistance (100% Rate)						
This option would change the payment model to fee for service effective July 1, 2025, and allocate up to 100% of the current per child rate ($794.88) to provide insurance assistance to underinsured children with high-deductible health insurance plans, coverage limitations or catastrophic medical plans. The allocation would fund families' insurance deductibles and cost shares to encourage families to provide consent for providers to bill their insurance for covered services. For the remaining insured caseload, this scenario would provide a monthly per child add-on payment of $199, to cover non-billable program support services and administrative costs.						
Total Provider Payments	$	11,666,139	$	11,666,139	$	23,332,278
Change from Current Model	$	(6,192,247)	$	(6,192,247)	*$*	*(12,384,494)*
Change from Governor's Recommendation	$	4,753,372	$	4,753,372	*$*	*9,506,744*
Option D, Insurance Assistance (50% Rate)						
This option would provide for the same change as above (Option C) except that it would allocate up to 50% of the per child rate ($397.44) for insurance assistance.						
Total Provider Payments	$	8,495,759	$	8,495,759	$	16,991,518
Change from Current Model	*$*	*(9,362,627)*	*$*	*(9,362,627)*	*$*	*(18,725,254)*
Change from Governor's Recommendation	*$*	*1,582,992*	*$*	*1,582,992*	*$*	*3,165,984*
Option E, Current Payment Model (BA 3208, Base)						
This option would maintain the current payment model, which provides a monthly per child payment ($794.88) for all children on the community providers caseload.						
Total Provider Payments	$	17,858,386	$	17,858,386	$	35,716,772
Change from Current Model		-		-		-
Change from Governor's Recommendation	*$*	*10,945,619*	*$*	*10,945,619*	*$*	*21,891,238*
Option F, Additional Add-On Payment (BA 3060, E225)						
This option would provide an additional add-on payment, recommended in The Executive Budget from the Fund for a Resilient Nevada budget account, in the amount of $88.94 in FY 2026 and $120.72 in FY 2027 per child, per month, for the community providers caseload. The add-on payments would be temporary transitional payments during the 2025-27 Biennium, according to the Governor's recommendation, to help fund activities that are required by IDEA Part C but which are not billable or covered by Medicaid or private insurance.						
Total Provider Payments	$	1,998,161	$	2,712,087	$	4,710,248

[1]Based on agency caseload projections updated in March 2025, monthly average community provider caseload is projected to total 1,872 children in the 2025-27 Biennium.

[2]All service costs shown would be funded with General Fund appropriations except for Option F, which would be funded with opioid settlement funds transferred from the Fund for a Resilient Nevada.

Title: DHS-ADSD - FAMILY PRESERVATION PROGRAM **Budget Page:** DHS-ADSD-29, **Volume II**
Account: 101 - 3166

Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	2,540,458	2,622,106	3.21	2,673,136	1.95	2,696,464	0.87
OTHER FUND	200,000	200,000		200,000		200,000	
INTERAGENCY TRANSFER	960,336	960,432	0.01	960,000	(0.04)	960,000	
REVERSIONS	(876)						
Total Revenues	3,699,918	3,782,538	2.23	3,833,136	1.34	3,856,464	0.61
Total FTE		0.00		0.00		0.00	

Overview

Pursuant to *Nevada Revised Statutes* (NRS) 435.365, the Family Preservation Program is a statewide program providing monthly cash assistance to low-income families who care for relatives in their homes who have a profound or severe intellectual or developmental disability or have children under the age of six who have developmental delays that require support equivalent to the support required by a person with a profound or severe intellectual or developmental disability. The Family Preservation Program aims to strengthen and support families so that they may remain intact and limit or avoid the need for institutional placements. The Family Preservation Program is administered by Sierra Regional Center and serves clients in all three regional centers (Sierra Regional Center, Desert Regional Center, and Rural Regional Center). The budget account is funded with General Fund appropriations, federal Temporary Assistance for Needy Families funds, and transfers from the Fund for a Healthy Nevada.

Major Closing Issue

Caseload Adjustments

Discussion of Major Closing Issue

Caseload Adjustments (M200 & M201, DHS-ADSD-29, 30)

Recommendation: The Governor recommends General Fund appropriations of $125,388 over the 2025-27 Biennium to support projected caseload changes for the Family Preservation Program.

Summary of Issue: The Executive Budget recommends General Fund appropriations of $51,030 in FY 2026 and $74,358 in FY 2027 to increase the Family Preservation Program caseload to provide assistance to additional qualified families in the upcoming biennium.

Details Provided During the Subcommittee Hearing: The Family Preservation Program provides monthly financial assistance to low-income families caring for a relative with severe or profound developmental disabilities, to help fund expenses to meet the special needs of their relative. The caseload for the Family Preservation Program is projected to change from 635 actual families on average per month in FY 2024, to 645 projected in FY 2025 and 654 in FY 2027, representing an increase of 9 families (1.4%) over the 2025-27 Biennium, based on caseloads projected in October 2024 using September 2024 actual caseload.

The amount of monthly assistance paid per qualifying family for the Family Preservation Program must be established by legislative appropriation for each fiscal year, pursuant to NRS 435.365. The monthly allotment per family was increased by the 74th (2007) Legislature from $362 in FY 2008 to $374 in FY 2009, and the 82nd (2023) Legislature approved a 29.9% increase, from $374 to $486 per family, per month, beginning in FY 2024. Pursuant to NRS 435.365, if the legislative appropriation is insufficient to provide assistance for all eligible applicants, the agency must establish a waiting list. The program currently has no waitlist, and no waitlist is projected for the upcoming biennium.

Decision Units M200 and M201 recommend net General Fund appropriations of $125,388 over the 2025-27 Biennium to fund projected caseload growth for the Family Preservation Program. These decision units should fund the difference between the adjusted base budget and projected caseload in FY 2025 (M200) and each year of the upcoming biennium (M201), based on the current rate of $486 per family, per month. However, the calculations for these decision units applied FY 2024 actual costs as opposed to the amount recommended in the adjusted base budget for the base caseload, and annualized caseload costs based on the ending month as opposed to the average projected caseload (based on October 2024 projections), thus the adjustments in the caseload decision units do not align the total funding with the projected caseload costs for the upcoming biennium.

In light of these discrepancies, the agency provided Fiscal staff with updated decision unit calculations on March 17, 2025. Based on the funding in the Governor's recommended adjusted base budget and the legislatively approved rate of $486 per family, per month, a net increase of approximately $38,258 (as opposed to $125,388) would fund the October 2024 projected caseload over the 2025-27 Biennium.

Budget Amendment A255243166: Due to reduced revenue projected for the Fund for a Healthy Nevada, the Governor's Finance Office submitted Budget Amendment A255243166 on March 17, 2025, which reduces transfers from the Fund for a Healthy Nevada by $25,537 in FY 2026 and $25,049 in FY 2027, which are in the Governor's recommended budget to fund a portion of the base caseload cost for the Family Preservation Program. The reduced funding of $50,586 over the 2025-27 Biennium in the amendment equates to the elimination of approximately 104 payments of $486, or assistance to approximately five families per month.

Hearing Discussion and Post-Hearing Update/Information: In response to questions following the March 26, 2025, budget hearing, the agency confirmed that, as a result of the reduced funding in the budget amendment, the program would serve four to five fewer families per year in the upcoming biennium. The agency further indicated that it has not identified any alternative funding to replace the reduced transfers from the Fund for a Healthy Nevada and that it is uncertain at this time whether a waitlist would need to be implemented as a result of the decreased funding.

March Caseload Update: The agency provided updated caseload projections calculated in March 2025 using actual caseload data through February 2025. The monthly average caseload for the Family Preservation Program is projected to increase from 641 families in FY 2025 to 648 in FY 2027, representing an increase of 7 families (1.1%) over the 2025-27 Biennium, based on the March 2025 projections. For comparison, the FY 2025 legislatively approved caseload was 649 families, and the program currently serves 644 families. The following table summarizes the projected caseload changes in the upcoming biennium, and compares the projections used in The Executive Budget with the updated projections from March 2023.

Family Preservation Program Monthly Average Caseload, 2025-27 Biennium				
	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Governor Recommends [1]				
Family Preservation Program (M200 & M201) [2, 3]	**635**	**645**	**650**	**654**
Annual Change		10	5	4
Percent Change		1.6%	0.8%	0.6%
March 2025 Projection				
Family Preservation Program (M200 & M201) [3]	**635**	**641**	**648**	**648**
Annual Change		6	7	0
Percent Change		0.9%	1.1%	0.0%
Difference from Governor Recommends		*-4*	*-2*	*-6*
Percent Change		*-0.6%*	*-0.3%*	*-0.9%*

[1] Based on October 2024 agency projections. The Executive Budget references the ending month of the projected caseload for each fiscal year, as opposed to the monthly average projected caseload displayed in the table.

[2] Decision Unit M200 is calculated based on May 2024 agency projections, as opposed to the October 2024 data referenced in The Executive Budget.

[3] The Family Preservation Program is administered by Sierra Regional Center, but serves clients in all three regional centers.

Compared to the caseload projections that were used to prepare the recommendation in The Executive Budget, the updated projections from March 2025 are lower for each year in the upcoming biennium. Decision Unit M200 aligns base caseload expenditures with the current projected FY 2025 caseload, and funds decreased costs of $88,460 over the biennium. Decision Unit M201 includes adjustments to align with the current projected FY 2026 and FY 2027 caseloads, and funds increased costs of $82,520 over the biennium. In total, the costs associated with the caseload changes decrease by $2,970 in each year. The updated caseload decision units (M200 and M201), which adjust the caseload and correct the discrepancy noted above, result in decreased costs of $5,940 over the 2025-27 Biennium. The following table summarizes the funding recommended in The Executive Budget and the adjustments based on the updated caseload projections and the budget amendment.

Family Preservation Program Caseload Funding Adjustments (M200 & M201), 2025-27 Biennium			
	General Funds	Other Funds	Biennium Total
Governor Recommends (10/2024 Projection)	$ 125,388	$ -	$ 125,388
Caseload Update (3/2025 Projection)[1]	$ (131,328)	$ -	$ (131,328)
Subtotal	*$ (5,940)*	*$ -*	*$ (5,940)*
Budget Amendment (A255243166)[2]	$ -	$ (50,586)	$ (50,586)
Total Adjusted Cost	**$ (5,940)**	**$ (50,586)**	**$ (56,526)**
Difference from Governor Recommends	*$ (131,328)*	*$ (50,586)*	*$ (181,914)*
Percent Change	*-105%*	*n/a*	*-145%*

[1] Decreases the average number of families served per month from 649 to 648, based on updated caseload projections.

[2] Decreases revenue transferred from the Fund for a Healthy Nevada, due to reduced revenue projections, which eliminates funding for approximately 5 families.

With the March 2025 caseload update, compared to the amounts recommended in The Executive Budget, the updated decision units (M200 and M201) result in reduced costs of $131,328 over the 2025-27 Biennium (General Fund savings of $54,000 in FY 2026 and $77,328 in FY 2027). As noted previously, the funding reduction in the budget amendment would equate to the elimination of approximately 104 payments of $486, or assistance to approximately five families per month, reducing the caseload to approximately 643 families. To support the projected caseload, the Subcommittee may wish to consider utilizing some of the General Fund savings resulting from the updated caseload decision units to replace the decrease in other funding removed by the budget amendment.

Decision for the Subcommittee:

Does the Subcommittee wish to recommend approval of the Governor's recommendation for General Fund savings of $5,940 over the 2025-27 Biennium, to adjust the caseload for the Family Preservation Program based on the March 2025 updated caseload projections, and with Budget Amendment A255243166, which eliminates $50,586 in transfers from the Fund for a Healthy Nevada over the 2025-27 Biennium, which would fund aid for approximately 643 families? If so, does the Subcommittee also wish to:

A. Recommend an increase in General Fund appropriations of $3,930 over the 2025-27 Biennium to replace a portion of the decreased funding from the Fund for a Healthy Nevada, to fund the current caseload of 644 families?

OR

B. Recommend an increase in General Fund appropriations of $50,586 over the 2025-27 Biennium to replace the decreased funding from the Fund for a Healthy Nevada, to fund the projected caseload of 648 families?

Fiscal staff requests authority to make technical adjustments to the caseload decision units, as necessary.

Other Closing Items

None

Additional Information – No Action Necessary

None

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026	FY 2027
			Gov Rec	Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

Title: DHS-ADSD - DEVELOPMENTAL SERVICES REGIONAL CENTERS **Budget Pages:** DHS-ADSD-31, 102 & 115, **Volume II**

Accounts: 101-3167, 101-3279 & 101-3280

Revenues[1]	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND[2]	163,646,955	170,434,808	4.15	258,649,101	51.76%	275,870,580	6.66
OTHER FUND	3,499,106	3,703,506	5.84	4,519,347	22.03%	4,731,038	4.68
INTERAGENCY TRANSFER	171,047,328	178,584,877	4.41	220,200,006	23.30%	233,759,617	6.16
BALANCE FORWARD	-6,256,678	7,807,232	(224.78)				
REVERSIONS	-593,000						
Total Revenues	**331,343,711**	**360,530,423**	**8.81%**	**483,368,454**	**34.07%**	**514,361,235**	**6.41%**
Total FTE[1]		**581.35**		**663.35**		**708.35**	

[1]Amounts in the table include the totals in the Rural Regional Center, Desert Regional Center, and Sierra Regional Center budget accounts.

[2]Appropriations approved in Section 22 of Assembly Bill 522 (82nd [2023] Legislative Session) for FY 2024 and FY 2025 to fund a two-grade salary increase for Developmental Support Technicians are not reflected in the table.

Overview

Pursuant to *Nevada Revised Statutes* Chapter 435, the Aging and Disability Services Division is responsible for the development, administration, coordination, and evaluation of state treatment and training programs for individuals with intellectual or developmental disabilities and related conditions. Developmental services include an array of services provided to people of all ages with intellectual and/or developmental disabilities and their families through three regional centers. Decision units that are specific to an individual budget account are discussed in the closing document for that respective regional center budget account.

Major Closing Issues

1. Caseload Growth and Staffing Adjustments
2. Standardized Functional Needs Assessments
3. Maintain Service Provider Rates

Discussion of Major Closing Issues

1. Caseload Growth and Staffing Adjustments (M201, DHS-ADSD-33, 105, 117)

Recommendation: The Governor recommends total funding of $197.2 million ($103.0 million General Fund appropriations) over the 2025-27 Biennium to fund projected caseload changes and associated staffing adjustments for developmental services at the three regional centers.

Summary of Issue: The Executive Budget recommends total funding of $85.4 million ($44.4 million General Fund) in FY 2026 and $111.8 million ($58.6 million General Fund) in FY 2027 to adjust the caseloads and associated staffing for residential supported living arrangements, family support/respite, and jobs and day training services at the Desert Regional Center, Sierra Regional Center, and Rural Regional Center. The recommendation would establish and modify certain caseload staffing ratios and add 111 positions with associated costs over the 2025-27 Biennium.

Details Provided During the Subcommittee Hearing: The three developmental services regional centers provide services throughout the state for individuals with intellectual or developmental disabilities and related conditions. The services provided include case management and service coordination, clinical assessment and behavioral support, supported living arrangements and jobs and day training, as well as family support/respite. Caseload adjustments for the Family Preservation Program are discussed separately in the closing document for that budget account.

The total monthly average caseload for the developmental services regional centers is projected to increase by 1,102 (12.7%) over the biennium, from 8,695 in FY 2025 to 9,797 in FY 2027, as shown in the table under the *Hearing Discussion and Post-Hearing Update/Information* section of this major closing issue. However, there are no caseload decision units within The Executive Budget which address reducing projected waitlists for services. The waitlist for individuals waiting more than 90 days for a service is projected to average 442 per month in FY 2027, based on October 2024 agency projections.

Caseload Growth: The Governor recommends total funding of $181.4 million ($91.1 million General Fund) over the 2025-27 Biennium for service costs associated with projected growth in caseloads for developmental services, including $147.6 million ($72.9 million General Fund) for supported living arrangements, $30.7 million ($15.5 million General Fund) for jobs and day training, and $3.1 million ($2.7 million General Fund) for family support/respite services. However, the service cost calculations for the M201 decision units, in which the Governor's recommended budget is based upon, inadvertently applied a rate increase factor for the base caseload plus projected caseload growth, inflating the costs per service type.

Budget Amendments A256453167, A256413279, and A256433280: The Governor's Finance Office (GFO) submitted Budget Amendments A256453167, A256413279, and A256433280 on March 22, 2025, to modify the service costs in the M201 caseload decision units to remove the rate increase factor referenced in the prior paragraph (discussed in detail under Major Closing Issue 3). The three amendments result in *savings* of $86.2 million ($43.5 million General Fund *savings*) over the 2025-27 Biennium. The following table summarizes the funding recommended in Decision Units M201 for service costs and the adjustments in Budget Amendments A256453167, A256413279, and A256433280:

Developmental Services Caseload Service Cost Adjustments, 2025-27 Biennium						
	General Funds		**Other Funds**		**Biennium Total**	
Desert Regional Center						
Governor Recommends (M201)	$	53,711,769	$	52,531,961	$	106,243,730
Budget Amendment (A256413279)	$	(22,585,311)	$	(21,158,646)	$	(43,743,957)
Desert Regional Center Total	**$**	**31,126,458**	**$**	**31,373,315**	**$**	**62,499,773**
Sierra Regional Center						
Governor Recommends (M201)	$	27,687,416	$	28,073,432	$	55,760,848
Budget Amendment (A256433280)	$	(13,828,061)	$	(14,127,286)	$	(27,955,347)
Sierra Regional Center Total	**$**	**13,859,355**	**$**	**13,946,146**	**$**	**27,805,501**
Rural Regional Center						
Governor Recommends (M201)	$	9,710,498	$	9,681,153	$	19,391,651
Budget Amendment (A256453167)	$	(7,120,439)	$	(7,374,275)	$	(14,494,714)
Rural Regional Center Total	**$**	**2,590,059**	**$**	**2,306,878**	**$**	**4,896,937**
Regional Centers Total						
Governor Recommends (M201)	*$*	*91,109,682*	$	90,286,547	*$*	*181,396,229*
Budget Amendments	*$*	*(43,533,811)*	*$*	*(42,660,207)*	*$*	*(86,194,018)*
Regional Centers Total	***$***	***47,575,871***	***$***	***47,626,340***	***$***	***95,202,211***

Caseload Staffing: The recommendations would also add 111 new positions (83 positions in FY 2026 and an additional 28 positions in FY 2027), with associated operating and equipment costs, to support projected caseload growth for developmental services programs over the 2025-27 Biennium. The recommendations include adjustments to caseload staffing levels to align service coordinator (Developmental Specialist) positions with projected caseload increases for developmental services programs, based on the previously approved staffing ratio of 1 case worker to every 45 clients. It also adds staffing ratios of 1:100 positions for

human resources staff to support the caseload positions, and 1:289 clients for psychological services. The recommendation would also change the staffing ratios for administrative support positions from 1:7 to 1:8 positions, for supervisor positions from 1:7 to 1:6 positions, and for nurses from 1:750 to 1:650 clients. According to the agency, these staffing ratios are recommended to standardize the caseload staffing ratios for all division programs.

Budget Amendments A253673279 and A253683280: The GFO submitted Budget Amendments A253673279 and A253683280 on February 28, 2025, which change the recommended caseload positions with start dates of October 2025, to start in January 2026. These amendments result in savings of $982,672 ($735,160 General Fund savings) in FY 2026 and would provide additional time for the agency to perform hiring activities. However, the agency indicates that delaying the position start dates would increase caseload ratios for staff during that period if the caseloads increase as projected, which may cause delays in connecting clients with services.

Hearing Discussion and Post-Hearing Update/Information: During the March 26, 2025, budget hearing, the agency indicated that caseload growth for developmental services has been unprecedented. While the agency has not stopped any current services, no waitlists are funded in The Executive Budget, and there is currently an enrollment freeze. Clients waiting for services are prioritized based on need, and individuals at the greatest risk of institutionalization are given priority.

March Caseload Update: The agency provided updated caseload projections calculated in March 2025 using actual data through February 2025 to update the caseload decision units in the regional centers' budget accounts. The total monthly average caseload for the developmental services regional centers is projected to increase from 8,655 individuals in FY 2025 to 9,703 in FY 2027, representing an increase of 1,048 clients (12.1%) over the biennium. Compared to the projections that were used to prepare the recommendations in The Executive Budget, the monthly average regional centers' developmental services caseload projections are slightly lower for the 2025-27 Biennium. The following table details the projected monthly average caseloads for developmental services programs in the upcoming biennium, and compares the projections used in The Executive Budget with the adjusted amounts based on the updated projections from March 2025:

Developmental Services Monthly Average Caseloads, 2025-27 Biennium

	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Governor Recommends [1]				
Desert Regional Center	5,667	5,979	6,366	6,759
Sierra Regional Center	1,674	1,869	2,023	2,165
Rural Regional Center	818	847	860	873
Regional Centers Total	**8,159**	**8,695**	**9,249**	**9,797**
Annual Change		*536*	*554*	*548*
Percent Change		*6.6%*	*6.4%*	*5.9%*
March 2025 Projection				
Desert Regional Center	5,667	5,946	6,247	6,583
Sierra Regional Center	1,674	1,858	2,040	2,251
Rural Regional Center	817	851	863	869
Regional Centers Total	**8,158**	**8,655**	**9,150**	**9,703**
Annual Change		*497*	*495*	*553*
Percent Change		*6.1%*	*5.7%*	*6.0%*
Difference from Governor Recommends		*-40*	*-99*	*-94*
Percent Change		*-0.5%*	*-1.1%*	*-1.0%*

[1] Based on October 2024 agency projections. The Executive Budget references the ending month of the projected caseload for each fiscal year, as opposed to the monthly average projected caseload displayed in the table.

The following table shows estimated monthly average caseloads by service type for the supported living arrangements, family support/respite, and jobs and day training programs for the upcoming biennium, and compares the projections used in The Executive Budget with the adjusted counts based on the updated projections from March 2025 and the percentage of total clients at each regional center that received each type of service in FY 2024:

Developmental Services Estimated Monthly Average Service Count by Type,[1] 2025-27 Biennium				
	FY 2024 Actual	**FY 2025 Projected**	**FY 2026 Projected**	**FY 2027 Projected**
Governor Recommends [2]				
Supported Living Arrangements				
Desert Regional Center	1,674	2,272	2,536	2,693
Sierra Regional Center	847	896	973	1,042
Rural Regional Center	355	359	365	370
Total	**2,876**	**3,527**	**3,874**	**4,105**
Percent Change		*22.6%*	*9.8%*	*6.0%*
Family Support/Respite				
Desert Regional Center	2,851	2,851	2,851	2,851
Sierra Regional Center	178	197	216	231
Rural Regional Center	98	102	104	105
Total	**3,127**	**3,150**	**3,171**	**3,187**
Percent Change		*0.7%*	*0.7%*	*0.5%*
Jobs and Day Training				
Desert Regional Center	1,611	1,945	2,133	2,264
Sierra Regional Center	195	216	237	253
Rural Regional Center	243	244	248	252
Total	**2,049**	**2,405**	**2,618**	**2,769**
Percent Change		*17.4%*	*8.9%*	*5.8%*
March 2025 Projection				
Supported Living Arrangements				
Desert Regional Center	1,674	1,976	2,489	2,622
Sierra Regional Center	847	875	981	1,083
Rural Regional Center	355	359	366	368
Total	**2,876**	**3,210**	**3,836**	**4,073**
Percent Change		*11.6%*	*19.5%*	*6.2%*
Family Support/Respite				
Desert Regional Center	2,851	2,851	2,851	2,851
Sierra Regional Center	178	189	218	240
Rural Regional Center	98	101	104	105
Total	**3,127**	**3,141**	**3,173**	**3,196**
Percent Change		*0.4%*	*1.0%*	*0.7%*
Jobs and Day Training				
Desert Regional Center	1,611	1,780	2,093	2,205
Sierra Regional Center	195	207	238	263
Rural Regional Center	243	245	249	251
Total	**2,049**	**2,232**	**2,580**	**2,719**
Percent Change		*8.9%*	*15.6%*	*5.4%*
Difference from Governor Recommends		*-499*	*-74*	*-73*
Percent Change		*-5.5%*	*-0.8%*	*-0.7%*

[1] The total of services shown in this table do not match total caseload shown in the previous table as clients may receive more than one type of service.

[2] Based on October 2024 agency projections.

Supported living arrangements offer residential supports to individuals with developmental disabilities and related conditions who require assistance to live in the least restrictive community setting possible. Family support/respite offers financial assistance to low-income families to obtain services and care for their relatives in their home as a means to prevent out-of-home placement. Jobs and day training services assist individuals in obtaining employment and living skills through day habilitation settings, facility-based work, or supported employment.

Based on the updated caseload projections and recommended staffing ratios, the M201 decision units add 100 new positions (76 positions in FY 2026 and 24 positions in FY 2027) across the three regional centers, compared to 111 positions in the Governor's recommendation. Currently, the overall vacancy rate across all three regional centers is approximately 5%. The agency indicates that the regional centers have experienced no difficulties with filling Developmental Specialist positions and anticipates it would be able to fill the new caseload positions within two to three months of initiating the recruitments. The updated projections result in 61 new positions at Desert Regional Center, 39 new positions at Sierra Regional Center, and no new positions at Rural Regional Center over the 2025-27 Biennium. The following table summarizes the new positions by regional center that are recommended to be added based on projected caseload growth during the upcoming biennium and compares the recommendation in The Executive Budget with the staffing adjustments based on the updated caseload projections from March 2025:

Developmental Services Regional Centers Caseload Staffing Adjustments, 2025-27 Biennium			
Position Title	FY 2026 Positions Added (# FTE)	FY 2027 Positions Added (# FTE)	Total Positions Added (# FTE)
Governor Recommends			
Desert Regional Center			
Health Program Manager 2 (Grade 39)	1	-	**1**
Developmental Specialist 4 (Grade 37)	8	2	**10**
Developmental Specialist 3 (Grade 35)	24	12	**36**
Licensed Psychologist 2 (Grade 45)	1	-	**1**
Licensed Psychologist 1 (Grade 44)	1	1	**2**
Mental Health Counselor 3 (Grade 39)	2	1	**3**
Mental Health Counselor 2 (Grade 37)	1	-	**1**
Psychiatric Nurse 2 (Grade 39)	3	1	**4**
Quality Assurance Specialist 3 (Grade 38)	1	-	**1**
Quality Assurance Specialist 2 (Grade 35)	3	1	**4**
Administrative Assistant 4 (Grade 29)	3	-	**3**
Administrative Assistant 3 (Grade 27)	6	2	**8**
Personnel Analyst (Grade 34)	1	-	**1**
Subtotal	*55*	*20*	***75***
Sierra Regional Center			
Health Program Manager 2 (Grade 39)	1	-	**1**
Developmental Specialist 4 (Grade 37)	3	-	**3**
Developmental Specialist 3 (Grade 35)	13	3	**16**
Licensed Psychologist 1 (Grade 44)	1	-	**1**
Mental Health Counselor 2 (Grade 37)	1	1	**2**
Quality Assurance Specialist 3 (Grade 38)	1	-	**1**
Quality Assurance Specialist 2 (Grade 35)	2	1	**3**
Administrative Assistant 4 (Grade 29)	1	-	**1**
Administrative Assistant 3 (Grade 27)	5	1	**6**
Subtotal	*28*	*6*	***34***
Rural Regional Center			
Health Program Manager 2 (Grade 39)	-	1	**1**
Developmental Specialist 3 (Grade 35)	-	1	**1**
Subtotal	-	*2*	***2***
Total Positions (# FTE)	**83**	**28**	**111**
March 2025 Projection			
Desert Regional Center			
Health Program Manager 2 (Grade 39)	1	-	**1**
Developmental Specialist 4 (Grade 37)	6	1	**7**
Developmental Specialist 3 (Grade 35)	19	9	**28**
Licensed Psychologist 2 (Grade 45)	1	-	**1**
Licensed Psychologist 1 (Grade 44)	1	1	**2**
Mental Health Counselor 3 (Grade 39)	2	-	**2**
Mental Health Counselor 2 (Grade 37)	1	-	**1**
Psychiatric Nurse 2 (Grade 39)	3	-	**3**
Quality Assurance Specialist 3 (Grade 38)	1	-	**1**
Quality Assurance Specialist 2 (Grade 35)	2	1	**3**
Administrative Assistant 4 (Grade 29)	4	-	**4**
Administrative Assistant 3 (Grade 27)	5	2	**7**
Personnel Analyst (Grade 34)	1	-	**1**
Subtotal	*47*	*14*	***61***
Sierra Regional Center			
Health Program Manager 2 (Grade 39)	1	-	**1**
Developmental Specialist 4 (Grade 37)	3	1	**4**
Developmental Specialist 3 (Grade 35)	14	5	**19**
Licensed Psychologist 1 (Grade 44)	1	-	**1**
Mental Health Counselor 2 (Grade 37)	1	1	**2**
Psychiatric Nurse 2 (Grade 39)	-	1	**1**
Quality Assurance Specialist 3 (Grade 38)	1	-	**1**
Quality Assurance Specialist 2 (Grade 35)	2	1	**3**
Administrative Assistant 4 (Grade 29)	1	-	**1**
Administrative Assistant 3 (Grade 27)	5	1	**6**
Subtotal	*29*	*10*	***39***
Total Positions (# FTE)	**76**	**24**	**100**
Difference from Governor Recommends	*-7*	*-4*	*-11*
Percent Change	*-8.4%*	*-14.3%*	*-9.9%*

As noted previously, the Governor's Finance Office submitted Budget Amendments A253673279 and A253683280 on February 28, 2025, which change the recommended caseload positions with start dates of October 2025, to start in January 2026. Based on the updated caseload projections, the budget amendments change the start date for 40 new positions (16 at Sierra Regional Center and 24 at Desert Regional Center), from October 1, 2025, to January 1, 2026, in the M201 decision units. Additionally, on March 22, 2025, the Governor's Finance Office submitted Budget Amendments A256453167, A256413279, and A256433280 to modify the service costs in the M201 decision units to correct the cost calculation and remove the rate increase factor that was applied to the caseload decision units (discussed in Major Closing Issue 3). The following table summarizes the funding recommended in The Executive Budget, and cost savings based on the March 2025 caseload projections and the noted budget amendments:

Developmental Services Caseload Growth and Staffing Cost Adjustments (M201), 2025-27 Biennium

Decision Unit M201	General Funds	Other Funds	Biennium Total
Desert Regional Center			
Governor Recommends (10/2024 Projection)	$ 61,250,792	$ 55,429,896	$ 116,680,688
Caseload Update (3/2025 Projection) and Budget Amendments[1]	$ (29,467,235)	$ (26,127,192)	$ (55,594,427)
Desert Regional Center Total	*$ 31,783,557*	*$ 29,302,704*	*$ 61,086,261*
Sierra Regional Center			
Governor Recommends (10/2024 Projection)	$ 31,912,284	$ 29,014,382	$ 60,926,666
Caseload Update (3/2025 Projection) and Budget Amendments[2]	$ (11,682,400)	$ (12,200,917)	$ (23,883,317)
Sierra Regional Center Total	*$ 20,229,884*	*$ 16,813,465*	*$ 37,043,349*
Rural Regional Center			
Governor Recommends (10/2024 Projection)	$ 9,864,537	$ 9,763,857	$ 19,628,394
Caseload Update (3/2025 Projection) and Budget Amendment[3]	$ (7,280,308)	$ (7,475,241)	$ (14,755,549)
Rural Regional Center Total	*$ 2,584,229*	*$ 2,288,616*	*$ 4,872,845*
Regional Centers Total			
Governor Recommends (10/2024 Projection)	*$ 103,027,613*	*$ 94,208,135*	*$ 197,235,748*
Caseload Update (3/2025 Projection) and Budget Amendments [1,2,3]	*$ (48,429,943)*	*$ (45,803,350)*	*$ (94,233,293)*
Total Adjusted Cost	**$ 54,597,670**	**$ 48,404,785**	**$ 103,002,455**

[1] Adjusts caseload staffing and service costs based on updated projections, corrects the calculation for service costs based on Budget Amendment A256413279, and changes the start date for 24 positions from October 2024 to January 2026 based on Budget Amendment A253673279.

[2] Adjusts caseload staffing and service costs based on updated projections, corrects the calculation for service costs based on Budget Amendment A256433280, and changes the start date for 16 positions from October 2024 to January 2026 based on Budget Amendment A253683280.

[3] Adjusts caseload staffing and service costs based on updated projections and corrects the calculation for service costs based on Budget Amendment A256453167.

As shown in the previous table, due to the adjustments associated with the March 2025 caseload projections and considering the budget amendments, the updated service costs and staffing adjustments (M201 as amended) result in net costs of $103.0 million ($54.6 million General Fund appropriations) over the 2025-27 Biennium, which is a decrease of $94.2 million ($48.4 million General Fund savings) compared to the amounts in The Executive Budget ($197.2 million) over the 2025-27 Biennium.

Decision for the Subcommittee: Does the Subcommittee wish to recommend approval of $103.0 million ($54.6 million General Fund appropriations) over the 2025-27 Biennium to fund projected caseload growth for developmental services programs, including associated service costs and staffing adjustments, including 100 new positions at the three regional centers, based on the March 2025 updated caseload projections (M201), and with Budget Amendments A256453167, A256413279, and A256433280 to reduce service costs in the caseload decision units to exclude a rate increase factor, and with Budget Amendments A253673279 and A253683280 to delay 40 caseload position start dates?

Fiscal staff requests authority to make technical adjustments to the caseload decision units, as necessary.

2. Standardized Functional Needs Assessments (M502, DHS-ADSD-34-35, 106, 118-119)

Recommendation: The Governor recommends total funding of $1.6 million ($1.1 million General Fund appropriations) in FY 2027 for additional staffing and associated costs to implement standardized functional needs assessments for individuals receiving developmental services through the regional centers.

Summary of Issue: To help guide needed services and facilitate compliance with federal regulatory requirements, The Executive Budget recommends 17 new Developmental Specialist positions across the three regional centers' budget accounts, beginning in FY 2027, to implement a standardized tool to assess the functional capacity and needs of individuals receiving developmental services.

Details Provided During the Subcommittee Hearing: In response to recently released federal Centers for Medicare and Medicaid Services (CMS) waiver rules, the Governor recommends total funding of $1.6 million ($1.1 million General Fund appropriations), beginning in FY 2027, for 17 new positions across the three regional centers and associated operating, travel, and equipment costs. The additional positions are recommended to conduct standardized assessments of the functional capacity and needs of individuals receiving developmental services, as required as a provider of services funded by Medicaid through the Home and Community-Based Waiver for Intellectual Disabilities and Related Conditions.

As background, recently released CMS rules strengthened federal regulations around the assessment of functional needs (42 CFR 441.301), including a minimum benchmark for the percentage of functional assessments completed annually. By April 2027, states must complete an annual reassessment of functional needs for 90% of individuals receiving provider-based developmental services. The agency indicates it intends to utilize a standardized assessment tool for all individuals receiving supported living arrangements and jobs and day training services, regardless of waiver status.

There is no standardized assessment tool in place for developmental services, as the programs currently use "social assessments" to describe the status and needs of the individual, which the agency indicates are based on the opinions of individual service coordinators and do not meet the federal requirement of standardized assessments. The agency would adopt a standardized assessment tool to help guide individuals' needed services by measuring the intensity of support required to perform daily tasks, gain independent living skills, and reside in the community. The agency anticipates that implementing periodic standardized assessments would enable the regional centers to conduct comprehensive person-centered evaluations that focus on an individual's functional status and quality of life, to help guide needed services and improve the continuity of care, as well as better predict future service costs.

The regional centers currently serve over 8,100 individuals annually, and the agency estimates that 5,000 assessments need to be completed annually. The agency estimates that each assessment would take approximately five to six hours of staff time, including completion of a face-to-face evaluation, travel time,

accessing needed case records, inputting the assessment data, and completing the assessment report. The agency indicates that the assessment results can impact the types and amounts of services authorized for individuals; thus, to alleviate any conflict of interest it is the best practice for staff completing assessments to be separate from the clients' service coordinator teams. The goals of the assessment teams are to complete the required number of assessments prior to the April 2027 federal CMS deadline and to continue performing standardized assessments annually to remain in compliance with the federal rules.

The following table summarizes the new positions recommended at each regional center:

Developmental Services Regional Centers
Recommended Staff for Standardized Assessments, 2025-27 Biennium

Position Title	Start Date	# Positions
Desert Regional Center		
Developmental Specialist 4 (Grade 37)	10/1/2026	1
Developmental Specialist 3 (Grade 35)	10/1/2026	8
	Subtotal	*9*
Sierra Regional Center		
Developmental Specialist 4 (Grade 37)	7/1/2026	1
Developmental Specialist 3 (Grade 35)	7/1/2026	4
	Subtotal	*5*
Rural Regional Center		
Developmental Specialist 4 (Grade 37)	7/1/2026	1
Developmental Specialist 3 (Grade 35)	7/1/2026	2
	Subtotal	*3*
	Total Positions	**17**

According to the agency, the assessment teams at each regional center would complete annual assessments and reassessments to assist in determining appropriate levels of service to meet the needs of the individual. The number of Developmental Specialist 3 positions recommended for the assessment teams is based on the number of individuals receiving services at each regional center. Developmental Specialist 4 positions would supervise the teams at each regional center and train new staff on the assessment tool. Additionally, an existing vacant Licensed Psychologist position (Grade 44, Step 5) is recommended in the Desert Regional Center Budget Account 3279 (Other Closing Item 9) to increase from part-time (0.51 FTE) to full-time. The agency indicates that position would serve as a statewide technical and clinical resource for all staff completing the standardized functional needs assessments.

Hearing Discussion and Post-Hearing Update/Information: During the March 26, 2025, budget hearing, the agency indicated that by July 9, 2027, standardized functional needs assessments must be completed for 90% of clients receiving Medicaid waiver services, or approximately 3,000 clients, according to federal CMS regulations (42 CFR 441.301 (c)(3)(ii)(A)). In response to follow-up questions, the agency estimated that by July 2027, 3,615 assessments will need to be completed annually for the clients receiving waiver services.

The agency intends to complete standardized assessments for all people receiving supported living or jobs and day training services, regardless of the funding source. Standardized assessments measure the intensity of support required in a non-biased manner, which would allow the regional centers to better estimate projected costs for services, according to the agency. Data collected from the assessment results and the costs of authorized services would enable the agency to better anticipate a range of expected costs related to the assessed needs of an individual, and to more easily identify cases where costs exceed an individual's identified service needs, in order to review services for appropriateness. Performing standardized assessments would also enable the agency to better determine the level of service need and approximate cost for clients waiting for services, which may help reduce waiting and wait times for individual services.

Decision for the Subcommittee: Does the Subcommittee wish to recommend approval of $1.6 million ($1.1 million General Fund appropriations) in FY 2027 for 17 new Developmental Specialist positions across the three regional centers and associated costs to implement standardized functional needs assessments for individuals receiving developmental services through the regional centers?

3. Maintain Service Provider Rates (E250, DHS-ADSD-35, 107, 119)

Recommendation: The Governor recommends total funding of $86.3 million ($41.1 million General Fund appropriations) over the 2025-27 Biennium to continue existing rates paid to providers of developmental services, including jobs and day training and residential supported living arrangements.

Summary of Issue: The actual costs of services are higher than the projected costs that funded the legislatively approved caseload for the 2023-25 Biennium for the developmental services programs. The Governor's recommendation would fund the difference in projected costs over the 2025-27 Biennium and the base caseload costs for these programs.

Details Provided During the Subcommittee Hearing: As background, to improve provider capacity, the 82nd (2023) Legislature approved funding to increase the rates paid to providers of intellectual and developmental disabilities waiver services, including residential support, day habilitation, supported employment, prevocational services and behavioral consultation. The rate changes reflected an average 43% increase in the rate paid, based on total costs across all services provided, effective July 1, 2023; however, specific provider rates and related services vary considerably. To continue the existing rates paid to providers of developmental services, the Governor recommends $86.3 million ($41.1 million General Fund appropriations) over the 2025-27 Biennium to fund increased base caseload service costs, including $10.7 million for jobs and day training and $75.6 million for residential supported living arrangements.

The rate changes also affected the billing structure and cost of claims. Prior to the rate change, jobs and day training was billed as a daily rate, and it is now billed in 15-minute increments. Authorized increments, or "units," are based on individual needs, and vary due to several factors, such as the ratio of support staff. Services for supported living arrangements were previously billed as line items based on time increments for individual services, and after the rate change, most services are billed as a daily rate. Individuals are placed into three service "tiers" depending on complexity and need for supported living arrangements.

The fiscal impact of the rate change was greater than anticipated, and costs associated with supported living arrangements have been impacted the most. The cost of the rate change was initially estimated based on service data from FY 2019, with the client population split approximately 1/3 among the three service tiers. The actual client population has more individuals than expected in the most expensive tiers. Additionally, the agency indicates a custom rate tier was implemented for individuals whose service needs were more extensive than provided in the third tier. According to the agency, clients in a custom rate tier include three- and four-person group settings with significantly higher staffing ratios, as well as individuals living in one- and two-person settings in need of 24-hour staffing.

Supported living arrangement costs vary by need, with the most basic shared living residential support costing approximately $4,070 per individual, per month currently, and an average monthly cost of approximately $22,515 for the most intensive residential supports. In its response to questions following the January 27, 2025, Legislative Commission's Budget Subcommittee hearing, the agency provided a comparison of the client population assumptions funded in the current biennium budget and the actual composition by service tier for supported living arrangements, and average cost per month, per individual, as follows:

Supported Living Arrangements Share of Persons Served by Tier					
Rate Tier	**Budgeted**	**Desert Regional Center**	**Sierra Regional Center**	**Rural Regional Center**	**Average Cost per Month**
Tier 1	36.2%	19.8%	3.7%	41.2%	$ 7,482
Tier 2	29.9%	24.4%	26.4%	41.2%	$ 7,930
Tier 3	33.9%	41.1%	52.2%	16.3%	$ 9,890
Custom	N/A	14.8%	17.7%	1.3%	$ 15,732

Furthermore, the agency indicates the diagnoses of the population served continues to shift from individuals with intellectual disabilities to more individuals with developmental disabilities, who may have accompanying physical limitations, and that the program is experiencing a higher number of individuals in crisis or in need of extensive intensive supported living arrangements with higher staffing ratios to maintain safety of both clients and staff. Also, the agency indicates more individuals served are now of senior age and may require more in-home services. At the end of FY 2019 when service utilization was projected for the new rate tiers, the program served 338 individuals over the age of 60, and by the end of FY 2024, this population increased by more than 35%, to 457 individuals.

The projected costs in Decision Units E250 are based on the difference between base caseload costs and actual costs incurred beginning in FY 2024, following the rate changes. The actual rate tiers and ratios of client service levels differed from the assumptions used in cost projections for the current biennium, resulting in higher actual costs compared to the amounts budgeted. The agency estimated rate change impact percentages, based on actual costs incurred, of 10.5%, 19.4%, and 5.2% for the Desert, Sierra, and Rural Regional Centers, respectively, which represent the percentage increases in base caseload service costs following the rate changes.

However, the agency indicates the rate increase factor for the entire caseload was inadvertently applied in the decision units for caseload growth (Major Closing Issue 1), and that while the E250 decision units contained the rate increase factor for the base caseload, it should also factor in the rate increase for caseload growth, to isolate these expenses from the caseload adjustments.

Budget Amendments A256463167, A256423279, and A256443280: The Governor's Finance Office submitted Budget Amendments A256463167, A256423279, and A256443280 on March 22, 2025, to add the costs associated with the rate increase factor for projected caseload growth, which was excluded from the E250 decision units, to isolate the expense. Combined, these three amendments add $13.6 million ($10.4 million General Fund appropriations) in service costs over the 2025-27 Biennium. Further, Budget Amendments A256453167, A256413279 and A256433280, also received on March 22, 2025, would modify the service costs in the caseload decision units (Major Closing Issue 1) to remove the rate increase factor, reducing costs by $86.2 million ($45.5 million General Fund) over the biennium. Together, the six budget amendments (Major Closing Issues 1 and 3) result in net savings of $72.6 million ($33.1 million General Fund savings) in service costs over the 2025-27 Biennium. The following table

summarizes the net effect of the recommended adjustments to caseload service costs, including the caseload adjustments and budget amendments discussed in Major Closing Issue 1, based on the projections utilized in The Executive Budget:

Developmental Services Caseload Service Cost Adjustments, 2025-27 Biennium			
Decision Unit	**General Funds**	**Other Funds**	**Biennium Total**
Governor Recommends, Base Caseload (E250)	$ 41,108,316	$ 45,213,461	$ 86,321,777
Governor Recommends, Caseload Growth (M201)	$ 103,027,613	$ 94,208,135	$ 197,235,748
Subtotal	*$ 144,135,929*	*$ 139,421,596*	*$ 283,557,525*
Budget Amendments, Base Caseload[1]	$ 10,392,261	$ 3,189,302	$ 13,581,563
Budget Amendments, Caseload Growth[2]	$ (43,533,811)	$ (42,660,210)	$ (86,194,021)
Subtotal	*$ (33,141,550)*	*$ (39,470,908)*	*$ (72,612,458)*
Regional Centers Total	**$ 110,994,379**	**$ 99,950,688**	**$ 210,945,067**
[1]Budget Amendments A256463167, A256423279, and A256443280			
[2]Budget Amendments A256453167, A256413279 and A256433280			

Following the implementation of the rate increase in FY 2024, the agency determined the fiscal impact was higher than expected, limiting the amount of services that can be provided with available funding, and began limiting new services except for emergent cases, and placing clients on waitlists for specific services, while maintaining service coordination and case management for all clients. The agency also projects a budget deficit in the current fiscal year, and the Governor recommends supplemental appropriations, discussed under the *Additional Information – No Action Necessary* section at the end of this closing document, to provide funding to maintain services for existing clients in FY 2025.

Hearing Discussion and Post-Hearing Update/Information: During the March 26, 2025, budget hearing, the agency explained that provider capacity for service has improved, as providers are able to hire more people to serve clients. The program has also seen a shift in the intensity of needed services to the more expensive cost tiers. However, there is currently an enrollment freeze due to budgetary constraints, and the agency indicated that the funding recommended in the E250 decision units would be necessary to avoid cuts to existing client services.

As noted previously, the Governor's Finance Office submitted Budget Amendments A256463167, A256423279, and A256443280 on March 22, 2025, to add the costs associated with the rate increase factor for projected caseload growth, which was excluded from the E250 decision units, to isolate the expense. As discussed in Major Closing Issue 1, Budget Amendments A256453167, A256413279, and A256433280, also received on March 22, 2025, remove the service cost rate increase factor from the M201 caseload decision units. The following table summarizes the funding recommended in The Executive Budget, and the costs added to the E250 decision units based on the noted budget amendments and the March 2025 caseload projections:

Developmental Services Caseload Service Cost Adjustments (E250), 2025-27 Biennium			
Decision Unit E250	**General Funds**	**Other Funds**	**Biennium Total**
Desert Regional Center			
Governor Recommends (10/2024 Projection)	$ 20,580,771	$ 21,087,034	$ 41,667,805
Caseload Update (3/2025 Projection) and Budget Amendment[1]	$ 5,255,576	$ 3,192,215	$ 8,447,791
Desert Regional Center Total	*$ 25,836,347*	*$ 24,279,249*	*$ 50,115,596*
Sierra Regional Center			
Governor Recommends (10/2024 Projection)	$ 12,924,731	$ 14,619,218	$ 27,543,949
Caseload Update (3/2025 Projection) and Budget Amendment[2]	$ 3,073,264	$ 858,597	$ 3,931,861
Sierra Regional Center Total	*$ 15,997,995*	*$ 15,477,815*	*$ 31,475,810*
Rural Regional Center			
Governor Recommends (10/2024 Projection)	$ 7,602,814	$ 9,507,209	$ 17,110,023
Caseload Update (3/2025 Projection) and Budget Amendment[3]	$ 1,906,588	$ (1,119,138)	$ 787,450
Rural Regional Center Total	*$ 9,509,402*	*$ 8,388,071*	*$ 17,897,473*
Regional Centers Total			
Governor Recommends (10/2024 Projection)	*$ 41,108,316*	*$ 45,213,461*	*$ 86,321,777*
Caseload Update (3/2025 Projection) and Budget Amendments [1,2,3]	*$ 10,235,428*	*$ 2,931,674*	*$ 13,167,102*
Total Adjusted Cost	**$ 51,343,744**	**$ 48,145,135**	**$ 99,488,879**

[1] Adjusts service costs based on updated projections and Budget Amendment A256423279, which moves rate increase factor for projected caseload growth from Decision Unit M201 to E250.

[2] Adjusts service costs based on updated projections and Budget Amendment A256443280, which moves rate increase factor for projected caseload growth from Decision Unit M201 to E250.

[3] Adjusts service costs based on updated projections and Budget Amendment A256463167, which moves rate increase factor for projected caseload growth from Decision Unit M201 to E250.

Due to the adjustments associated with the March 2025 caseload projections and considering the budget amendments, the updated service costs (E250 as amended) result in net costs of $99.5 million ($51.3 million General Fund appropriations) over the 2025-27 Biennium, which is an increase of $13.2 million ($10.2 million General Fund) compared to the amounts in The Executive Budget ($86.3 million) over the 2025-27 Biennium. In response to questions following the budget hearing, the agency confirmed that the recommended funding in the E250 decision units, as adjusted by the budget amendments, is anticipated to be sufficient to support all existing clients receiving services and the projected service costs associated with caseload growth while maintaining the existing rates paid to providers of developmental services.

Decision for the Subcommittee: Does the Subcommittee wish to recommend approval of $99.5 million ($51.3 million General Fund appropriations) over the 2025-27 Biennium to fund projected base caseload service costs (E250), and with Budget Amendments A256463167, A256423279, and A256443280 to fund projected service costs associated with caseload growth, to continue the existing rates paid to providers of developmental services?

Other Closing Items

Other Closing Items that are specific to an individual regional center budget account are discussed in the closing document for that budget account.

Appropriations Act Language (BUDGET OVERVIEW-38): The Governor recommends language in the 2025 Appropriations Act providing that the sums appropriated to the Aging and Disability Services Division for the Desert Regional Center, Sierra Regional Center and Rural Regional Center budget accounts may be transferred among those budget accounts for residential support, family support and respite, and jobs and day training services with the approval of the Interim Finance Committee upon the recommendation of the Governor. Similar language was included in the 2023 Appropriations Act (Senate Bill 511, Section 58).

Fiscal staff recommends the Other Closing Item be closed as recommended by the Governor.

Additional Information – No Action Necessary

Supplemental Appropriations (BUDGET OVERVIEW-33): To fund projected FY 2025 shortfalls for service costs for developmental services, the Governor recommends supplemental funding totaling $41.8 million ($19.5 million General Fund) for the supported living arrangements and jobs and day training programs. The agency indicates the projections fluctuate based on expected claims. As of April 1, 2025, the agency projects the shortfall will be lower and anticipates supplemental funding of $27.4 million ($16.0 million General Fund appropriations) will be needed to cover service costs in FY 2025.

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026	FY 2027
			Gov Rec	Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

Title: DHS-ADSD - RURAL REGIONAL CENTER **Budget Page:** DHS-ADSD-31, **Volume II**
Account: 101 - 3167

Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	13,547,579	13,786,397	1.76	24,279,586	76.11	24,996,179	2.95
OTHER FUND	131,714	129,219	(1.89)	141,206	9.28	146,727	3.91
INTERAGENCY TRANSFER	12,660,295	12,810,578	1.19	21,304,034	66.30	21,734,181	2.02
BALANCE FORWARD	49,704	25,804	(48.08)				
REVERSIONS	(274,427)						
Total Revenues	26,114,865	26,751,998	2.44	45,724,826	70.92	46,877,087	2.52
Total FTE		51.26		51.76		56.76	

Overview

The Rural Regional Center, which is one of three regional centers, provides services for individuals with intellectual or developmental disabilities and related conditions living in rural Northern Nevada. The center consists of eight offices, located in Carson City, Elko, Fallon, Fernley, Gardnerville, Mesquite, Pahrump, and Winnemucca. Services provided include case management and service coordination, residential support, family support/respite, jobs and day training, clinical assessment and behavioral support, and quality assurance. The budget account is funded primarily with General Fund appropriations and federal Medicaid funds (both waiver reimbursements and administrative costs). Federal Title XX Social Services Block Grant funds and county reimbursements for services provided to children also support this budget account.

Major Closing Issues

1. Caseload Growth and Staffing Adjustments
2. Standardized Functional Needs Assessments
3. Maintain Service Provider Rates

Discussion of Major Closing Issues

Major Closing Issues are discussed in the Developmental Services Regional Centers combined budget closing document.

Other Closing Items

Other Closing Items	Category	Description of Decision Unit	FY 2026 General Fund	FY 2026 Other Funds	FY 2027 General Fund	FY 2027 Other Funds
1	ADJUSTMENTS TO BASE CASELOAD	Removes federal Title XX Social Services Block Grant funds that previously supported jobs and day training service costs. (E270, DHHS-ADSD-36)	$ -	$(175,943)	$ -	$(175,943)
2		Adjusts federal Title XIX Medicaid revenue and state funding share for base caseload service costs due to lower projected Federal Medical Assistance Percentage (FMAP) rates compared to the 2023-25 Biennium budget. (M151, DHS-ADSD-32-33)	$ 221,673	$(221,673)	$ 217,567	$(217,567)
3	STAFFING AND OPERATIONS	Eliminates a part-time Quality Assurance Specialist position (Grade 35) that has been vacant for an extended period. (E680, DHS-ADSD-36)	$ (47,187)	$ (6,587)	$ (48,278)	$ (6,733)
4	EQUIPMENT REPLACEMENT	Replacement computer hardware and associated software. (E710, DHS-ADSD-36-37)	$ 22,304	$ 1,912	$ 22,663	$ 1,553
5	INFORMATION SERVICES	Software costs for Adobe Acrobat subscription licenses through the OCIO. (E711, DHS-ADSD-37)	$ 1,135	$ 97	$ 1,153	$ 79

6		Software costs for TEAMS phone lines to centralize the division's communication platforms through the OCIO. (E712, DHS-ADSD-37)	$ 3,476	$ 298	$ 3,532	$ 242
7	COST ALLOCATION	Enhancement cost allocation. (E800, DHS-ADSD-38)	$ 31,286	$ 2,598	$ 15,663	$ 1,300
8		Maintenance cost allocation. (M800, DHS-ADSD-35)	$ 13,170	$ 1,093	$ 16,302	$ 1,354

Fiscal staff recommends all Other Closing Items be closed as recommended by the Governor, and requests authority to make technical adjustments as necessary.

Additional Information – No Action Necessary

Additional Information is discussed in the combined budget closing document for the Developmental Services Regional Centers.

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026	FY 2027
			Gov Rec	Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

Title: DHS-ADSD - DESERT REGIONAL CENTER **Budget Page:** DHS-ADSD-102, **Volume II**
Account: 101 - 3279

Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	112,338,825	118,168,873	5.19	171,719,015	45.32	182,722,039	6.41
OTHER FUND	2,791,933	3,287,264	17.74	3,760,118	14.38	3,951,851	5.10
INTERAGENCY TRANSFER	120,500,509	127,794,625	6.05	143,528,203	12.31	152,718,235	6.40
BALANCE FORWARD	(6,438,097)	7,524,648	(216.88)				
REVERSIONS	(1,995)						
Total Revenues	229,191,175	256,775,410	12.04	319,007,336	24.24	339,392,125	6.39
Total FTE		442.07		499.57		528.57	

Overview

The Desert Regional Center, which is one of three regional centers, provides services for individuals with intellectual or developmental disabilities and related conditions residing in Southern Nevada, including urban Clark County. The services provided include case management and service coordination, residential support, family support/respite, jobs and day training, clinical assessment and behavioral support, and quality assurance. The Desert Regional Center also has a 48-bed licensed Intermediate Care Facility for Individuals with Intellectual Disabilities that provides comprehensive and individualized health care and rehabilitation services to individuals to promote their functional status and independence. The budget account is funded primarily with General Fund appropriations and federal Medicaid funds (both waiver reimbursements and administrative costs). Federal Title XX Social Services Block Grant funds and county reimbursements for services provided to children also support this budget account.

Major Closing Issues

1. Caseload Growth and Staffing Adjustments
2. Standardized Functional Needs Assessments
3. Maintain Service Provider Rates
4. Five New Positions for Intermediate Care Facility

Discussion of Major Closing Issues

Major Closing Issues 1 through 3 are discussed in the Developmental Services Regional Centers combined budget closing document.

4. Five New Positions for Intermediate Care Facility (E266, DHS-ADSD-108)

Recommendation: The Governor recommends $772,781 ($484,958 General Fund appropriations) over the 2025-27 Biennium for five new Developmental Support Technician 4 (Grade 31) positions and associated costs to support the Intermediate Care Facility for Individuals with Intellectual Disabilities.

Summary of Issue: The five new positions are recommended to provide supervision and direct services to individuals residing at the Desert Regional Center Intermediate Care Facility. The additional staff are recommended to ensure sufficient staffing levels and reduce the need for overtime.

Details Provided During the Subcommittee Hearing: The Governor recommends $346,863 ($221,166 General Fund) in FY 2026 and $425,918 ($263,792 General Fund) in FY 2027 for five new Developmental Support Technician 4 (Grade 31) positions and associated operating, equipment, and training costs, at the Desert Regional Center Intermediate Care Facility for Individuals with Intellectual Disabilities or related conditions. The new positions are budgeted to start in October 2025. They would provide direct services to individuals residing at the facility and would share in the coordination of shifts and coverage to reduce overtime and maintain appropriate staffing ratios, according to the agency.

The Intermediate Care Facility provides health and/or rehabilitative residential services. Currently, 40 individuals reside in ten homes at the facility, which is licensed for up to 48 beds. The facility must meet federal Centers for Medicare and Medicaid Services (CMS) Appendix J requirements, which includes complying with federal conditions of participation regarding facility staffing (42 CFR 483.430). The federal regulations require facilities to provide sufficient direct care staff to manage and supervise clients in accordance with their individual program plans. According to the agency, staffing ratios for staff to clients vary per resident and must be maintained based on the needed levels of specialized services of the individuals residing at the facility. Minimum staffing ratios for each home are established for both waking and sleeping hours through review of the individuals residing in the home.

Developmental Support Technician 4 positions at the Intermediate Care Facility supervise Developmental Support Technician 3 positions in the facility homes and share in the coordination of shifts and coverage, including carrying the emergency phone. The facility currently has 9 Developmental Support Technician 4 positions and 96 Developmental Support Technician 3 positions. According to the agency, this level of staffing is not sufficient to meet all needs of the clients residing at the facility and to respond to emergencies without the use of excessive overtime. Currently, Developmental Support Technician 4s supervise two homes and up to 20 staff at the facility, and overtime exceeds ten hours per week on average for staff working at the facility. The agency indicates that the 5 additional Developmental Support Technician 4 positions would reduce the staffing ratios to each Developmental Support Technician 4 supervising one home and to 1 supervisor for every 10 to 12 employees. However, the agency indicates that the current standard is 1 supervisor to every 7 employees.

Hearing Discussion and Post-Hearing Update/Information: During the March 26, 2025, budget hearing, the agency explained that the need for service has increased, and that individuals have required more support at the Desert Regional Center Intermediate Care Facility. While overtime is regularly incurred by facility staff, the increased demand is placing more pressure on the existing staff. In response to follow-up questions, the agency indicated that the need for overtime has also increased due to increased personal leave days included in the American Federation of State, County and Municipal Employees (AFSCME) Collective Bargaining Agreement, which applies to direct care workers.

The Intermediate Care Facility staff consists of direct care workers, supervisors, quality assurance, nursing, therapy and counselors, and maintenance and custodians. Overtime is required primarily of direct care and nursing staff, to maintain required coverage and staffing ratios to safely care for the residents and maintain licensure, according to the agency. The average cost per year of overtime worked by all Intermediate Care Facility staff between FY 2022 and FY 2024 was $2.0 million, with 55,488 collective overtime hours worked on average each year. The agency projects the cost of overtime in FY 2025 will increase to $2.2 million. The agency notes the five new positions would provide direct care and supervisory support to provide additional coverage to meet client needs and reduce the need for overtime worked at the facility.

Decision for the Subcommittee: Does the Subcommittee wish to recommend approval of the Governor's recommendation for five new Developmental Support Technician 4 positions to support the Intermediate Care Facility for Individuals with Intellectual Disabilities, funded with $772,781 ($484,958 General Fund appropriations) over the 2025-27 Biennium?

Other Closing Items

Other Closing Items	Category	Description of Decision Unit	FY 2026 General Fund	FY 2026 Other Funds	FY 2027 General Fund	FY 2027 Other Funds
1	ADJUSTMENTS TO BASE CASELOAD	Removes federal Title XX Social Services Block Grant funds that previously supported jobs and day training service costs. (E270, DHHS-ADSD-108)	$ -	$(741,477)	$ -	$(741,477)
2		Adjusts federal Title XIX Medicaid revenue and state funding share for base caseload service costs due to lower projected Federal Medical Assistance Percentage (FMAP) rates compared to the 2023-25 Biennium budget. (M151, DHS-ADSD-104)	$2,029,047	$(2,029,047)	$1,991,473	$ (1,991,473)
3	EQUIPMENT REPLACEMENT	Replacement computer hardware and associated software. (E710, DHS-ADSD-109)	$ 178,673	$ 17,877	$ 132,081	$ 13,215
4	INFORMATION SERVICES	Software costs for Adobe Acrobat subscription licenses through the OCIO. (E711, DHS-ADSD-109-110)	$ 5,294	$ 530	$ 5,294	$ 530
5		Software costs for TEAMS phone lines to centralize the division's communication platforms through the OCIO. (E712, DHS-ADSD-110)	$ 32,895	$ 3,291	$ 32,895	$ 3,291
6	IN-STATE TRAVEL	Fleet Services monthly vehicle rental cost for three sedans for home and site visits and one ADA accessible van for use at the Intermediate Care Facility. (E729, DHS-ADSD-110-111)	$ 7,943	$ 3,697	$ 15,886	$ 7,394
7	COST ALLOCATION	Enhancement cost allocation. (E800, DHS-ADSD-111)	$ 246,839	$ 31,133	$ 123,576	$ 15,586
8		Maintenance cost allocation. (M800, DHS-ADSD-107)	$ 103,909	$ 13,104	$ 128,620	$ 16,221
9	CLASSIFIED POSITION CHANGES	Increases a vacant part-time Licensed Psychologist position (Grade 44, Step 5) to a full-time position to support the implementation of standardized functional needs assessments. (E805, DHS-ADSD-111-112)[1]	$ 60,154	$ 13,098	$ 62,070	$ 14,411
10	POSITION TRANSFERS OUT	Transfers out three positions, including two Management Analysts (Grade 35, Steps 8 and 10) and one Auditor (Grade 34) to Nevada Health Authority, Medicaid Administration, budget account 3158. (E902, DHS-ADSD-112)	$(262,043)	$(90,828)	$(266,292)	$(83,278)
11	AGENCY SPECIFIC INFLATION	Food inflation of 2.35% in FY 2026 and an additional 2.27% in FY 2027 based on Consumer Price Index for food. (M101, DHS-ADSD-104)	$ 1,075	$ 1,278	$ 2,137	$ 2,540

[1]Relates to Major Closing Issue 2, which is discussed in the Regional Centers combined budget closing document.

12. American Rescue Plan Act (ARPA) Ackerman Center Autism Foundation Project and Intensive Behavioral Support Homes Project (E499, DHS-ADSD-109): The E499 decision unit is recommended to remove budgetary authority built into the adjusted base budget and does not reflect a reduction to the previously approved award allocation of ARPA Coronavirus State Fiscal Recovery Funds for the Grant A Gift Autism Foundation Ackerman Center project. The adjusted base budget does not necessarily account for project funding that has been expended, or is planned to be expended, by the close of FY 2025, therefore, the Governor's recommended budget utilizes the E499 decision unit to ensure no authority is duplicated in the 2025-27 Biennium for funding that has been, or is planned to be, expended by the close of FY 2025.

    As background, in August 2022, the Interim Finance Committee (IFC) approved $8.5 million in federal ARPA Coronavirus State Fiscal Recovery Funds transferred from the COVID-19 Relief Programs budget account to fund providers to diagnose children with neurodevelopmental disorders through the Grant A Gift Autism Foundation Ackerman Center. The agency reports that the project ended with a total of 6,143 patients seen, including 1,910 new patients diagnosed. All allocated funds have been expended as of February 2025.

Additionally, at its October 20, 2022, meeting, the IFC approved an allocation of $14.5 million in federal ARPA Coronavirus State Fiscal Recovery Funds to the agency to recruit specialized service providers and provide a new service to help children and adults with intensive behavioral support needs to remain in the state in community-based settings. In July 2024, $2.0 million of the allocation was deobligated, and the agency anticipates utilizing the remaining allocation. The agency reports that the project had experienced delays with acquiring a consultant to assist with the writing of the request for proposal. As of April 22, 2025, $1.0 million (8.3%) of the allocation has been expended. The agency indicates that the project is moving forward as planned and anticipates all funds will be spent before December 31, 2026. Currently there is no authority for this project in the Governor's recommended budget. The agency estimates expenditures totaling $8.2 million in FY 2026 and $1.9 million in FY 2027. Fiscal staff recommends a technical adjustment to add funding for projected ARPA expenditures in the upcoming biennium to complete the project.

Fiscal staff recommends Other Closing Items 1 through 11 be closed as recommended by the Governor, Other Closing Item 12 with the noted technical adjustment to add authority for the ARPA project in Decision Unit E499, and requests authority to make other technical adjustments as necessary.

Additional Information – No Action Necessary

Capital Improvement Program Projects (APPENDIX-4): The Governor recommends $38.0 million in general obligation bonds to design and construct the replacement of Buildings 1300, 1304, and 1391 for the Desert Regional Center campus in Las Vegas (CIP Project 25-C02).

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026	FY 2027
			Gov Rec	Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

Title: DHS-ADSD - SIERRA REGIONAL CENTER **Budget Page:** DHS-ADSD-115, **Volume II**

Account: 101 - 3280

Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	37,760,551	38,479,538	1.90	62,650,500	62.82	68,152,362	8.78
OTHER FUND	575,459	287,023	(50.12)	618,023	115.32	632,460	2.34
INTERAGENCY TRANSFER	37,886,524	37,979,674	0.25	55,367,769	45.78	59,307,201	7.12
BALANCE FORWARD	131,715	256,780	94.95				
REVERSIONS	(316,578)						
Total Revenues	76,037,671	77,003,015	1.27	118,636,292	54.07	128,092,023	7.97
Total FTE		88.02		112.02		123.02	

Overview

The Sierra Regional Center, which is one of three regional centers, provides services for individuals with intellectual or developmental disabilities and related conditions residing in Washoe County. The services provided include case management and service coordination, residential support, family support/respite, job and day training, clinical assessment and behavioral support, and quality assurance. The budget account is funded primarily with General Fund appropriations and federal Medicaid funds (both waiver reimbursements and administrative costs). Federal Title XX Social Services Block Grant funds and county reimbursements for services provided to children also support this budget account.

Major Closing Issues

1. Caseload Growth and Staffing Adjustments
2. Standardized Functional Needs Assessments
3. Maintain Service Provider Rates

Discussion of Major Closing Issues

Major Closing Issues are discussed in the Developmental Services Regional Centers combined budget closing document.

Other Closing Items

Other Closing Items	Category	Description of Decision Unit	FY 2026 General Fund	FY 2026 Other Funds	FY 2027 General Fund	FY 2027 Other Funds
1	ADJUSTMENTS TO BASE CASELOAD	Removes federal Title XX Social Services Block Grant funds that previously supported jobs and day training service costs. (E270, DHHS-ADSD-120)	$ -	$(263,916)	$ -	$(263,916)
2		Adjusts federal Title XIX Medicaid revenue and state funding share for base caseload service costs due to lower projected Federal Medical Assistance Percentage (FMAP) rates compared to the 2023-25 Biennium budget. (M151, DHS-ADSD-117)	$ 725,253	$(725,253)	$ 711,821	$(711,821)
3	EQUIPMENT REPLACEMENT	Replacement computer hardware and associated software. (E710, DHS-ADSD-120)	$ 35,531	$ 2,811	$ 29,249	$ 1,327
4	INFORMATION SERVICES	Software costs for Adobe Acrobat subscription licenses through the OCIO. (E711, DHS-ADSD-120-121)	$ 3,736	$ 296	$ 3,857	$ 175
5		Software costs for TEAMS phone lines to centralize the division's communication platforms through the OCIO. (E712, DHS-ADSD-121)	$ 7,612	$ 602	$ 7,857	$ 357
6	COST ALLOCATION	Enhancement cost allocation. (E800, DHS-ADSD-121)	$ 49,736	$ 6,109	$ 25,232	$ 2,726
7		Maintenance cost allocation. (M800, DHS-ADSD-119)	$ 20,937	$ 2,571	$ 26,262	$ 2,837
8	POSITION TRANSFERS OUT	Transfers out four positions, including two Maintenance Repair Specialists (Grade 30), one Custodial Worker (Grade 23), and one Custodial Supervisor (Grade 26), to State Public Works Division, Buildings and Grounds budget account 1349. (E900, DHS-ADSD-122)	$(314,566)	$(57,674)	$(319,688)	$(58,524)

Fiscal staff recommends all Other Closing Items be closed as recommended by the Governor, and requests authority to make technical adjustments as necessary.

Additional Information – No Action Necessary

Additional Information is discussed in the combined budget closing document for the Developmental Services Regional Centers.

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026 Gov Rec	FY 2027 Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

Title: DHS-DCFS - JUVENILE JUSTICE SERVICES **Budget Page:** DHS-DCFS-58, **Volume II**
Account: 101 - 1383

Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	4,377,683	4,437,152	1.36	3,326,126	(25.04)	3,343,176	0.51
FEDERAL FUND	642,421	1,097,823	70.89	1,024,053	(6.72)	1,023,903	(0.01)
OTHER FUND	32,250	35,009	8.56	37,367	6.74	38,634	3.39
INTERAGENCY TRANSFER		932,808					
BALANCE FORWARD	17,342	26,592	53.34				
REVERSIONS	(183,299)						
Total Revenues	4,886,397	6,529,384	33.62	4,387,546	(32.80)	4,405,713	0.41
Total FTE		19.00		7.00		7.00	

Overview

This budget account serves as a pass-through account for the federal Office of Juvenile Justice and Delinquency Prevention (OJJDP) grant funds that are allocated to judicial districts for community-based juvenile delinquency prevention programs. General Fund appropriations provide funding to the counties for the non-medical room and board expenses not covered by Medicaid for youth involved with the juvenile courts who are receiving rehabilitative services from treatment home providers. This budget account also supports the statewide Prison Rape Elimination Act (PREA) Coordinator and the Social Services Chief, who serves as Nevada's juvenile justice specialist, prepares monitoring and performance reports for the federal grant programs, and supports the Juvenile Justice Oversight Commission.

Major Closing Issue

Transfer of 12 Positions to Southern Nevada Child and Adolescent Services

Discussion of Major Closing Issue

Transfer of 12 Positions to Southern Nevada Child and Adolescent Services (E900, DHS-DCFS-60)

Recommendation: The Governor recommends the transfer of General Fund appropriations of $3.2 million over the 2025-27 Biennium to transfer 11 Mental Health Counselor positions (Grade 37-39) and 1 Substance Abuse Counselor position (Grade 33) to the Southern Nevada Child and Adolescent Services budget account (BA 3646).

Summary of Issue: According to the agency, transferring 12 positions to the Southern Nevada Child and Adolescent Services budget account would provide budgetary flexibility to support the positions' overtime, travel, and training to continue supporting youth in the state's juvenile justice facilities.

Details Provided During the Subcommittee Hearing: The 82nd (2023) Legislature approved the transfer of 12 positions which supported juvenile justice programs, including 11 Mental Health Counselor positions and 1 Substance Abuse Counselor position, from the Southern Nevada Child and Adolescent Services budget account to this budget account. The transfers were intended to align the budgetary location of positions with duties at more than one juvenile justice facility with the staff providing supervision and management of positions.

The recommendation in The Executive Budget would reverse the transfers approved by the 82nd (2023) Legislature and transfer all 12 positions back to the Southern Nevada Child and Adolescent Services budget account. According to the agency, transferring the positions back to the Southern Nevada Child and Adolescent Services budget account would allow the agency to utilize staff to provide services where needed. Overtime, travel, and training expenses, which the agency indicates are necessary for these positions to perform their duties, are budgeted in the Southern Nevada Child and Adolescent Services budget account, and the amounts budgeted for these activities are not sufficient in the Juvenile Justice Services budget account, according to the agency. The agency indicates the services provided by these positions would not change and incumbents would not be required to relocate if the transfers are approved.

Hearing Discussion and Post-Hearing Update/Information: During the March 19, 2025, budget hearing, the Subcommittee sought additional information regarding the transfer of positions back to the Southern Nevada Child and Adolescent Services budget account in order to provide access to funding for overtime, travel, and training. The Subcommittee questioned why the agency did not request an increase in authority for these expenses in the Juvenile Justice Services budget account instead of recommending to transfer the positions. The agency indicated that transferring the positions back to the Southern Nevada Child and Adolescent Services account would align the supervision of the positions and allow more focus on providing children's mental health services. Additionally, the Subcommittee questioned whether the agency would need additional funding to support the overtime, travel, and training costs in the 2025-27 Biennium and inquired whether the positions were vacant. The agency indicated it did not anticipate that additional funding to support the transferred positions in the 2025-27 Biennium would be needed. On April 11, 2025, the agency reported that 10 of the 12 positions recommended to transfer to the Southern Nevada Child and Adolescent Services budget account were vacant.

Decision for the Subcommittee:
Does the Subcommittee wish to recommend approval of the Governor's recommendation to transfer 11 Mental Health Counselor positions and 1 Substance Abuse Counselor position and General Fund appropriations of $3.2 million over the 2025-27 Biennium to the Southern Nevada Child and Adolescent Services budget account?

Other Closing Items
None

Additional Information – No Action Necessary
None

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026 Gov Rec	FY 2027 Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

Title: DHS-DCFS - YOUTH PAROLE SERVICES **Budget Page:** DHS-DCFS-97, **Volume II**
Account: 101 - 3263

Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	3,462,921	3,535,703	2.10	4,470,027	26.43	4,484,627	0.33
OTHER FUND	3,411,101	3,575,610	4.82	4,650,614	30.06	4,670,153	0.42
INTERAGENCY TRANSFER		75,553		7,152	(90.53)	6,967	(2.59)
BALANCE FORWARD	181,787	181,787					
REVERSIONS	(58,649)						
Total Revenues	6,997,160	7,368,653	5.31	9,127,793	23.87	9,161,747	0.37
Total FTE		46.51		47.51		47.51	

Overview

The Nevada Youth Parole Bureau (Bureau) is charged with providing supervision and case management services to delinquent youth committed to the state correctional facilities. The Bureau also provides transitional services, treatment placement, and residential placement of youth who are transitioning from correctional placements into the community. The Bureau's caseloads include delinquent youth committed to state youth institutions, youth on parole from such institutions, youth referred to Nevada for parole supervision from other states through the Interstate Compact for Juveniles, youth committed to the Division of Child and Family Services (DCFS) who require both correctional and mental health residential treatment, and youth under the age of 12 who are committed to the DCFS for correctional care but who cannot by law be placed in an institutional setting. This budget account is funded with General Fund appropriations and assessments to each county in the state for the costs of the activities of the Bureau.

Major Closing Issue

Contract Expenses for Behavioral Support and Mental Health Services

Discussion of Major Closing Issue

Contract Expenses for Behavioral Support and Mental Health Services (E250, DHS-DCFS-99)

Recommendation: The Governor recommends $708,737 ($354,368 General Fund) in each year of the 2025-27 Biennium to support an increase in contract expenses for transitional community reintegration behavioral support and mental health services.

Summary of Issue: Large rate increases due to renegotiated master service agreements in FY 2023 have resulted in a projected 55.0% increase in contract expenses for transitional community reintegration behavioral support and mental health services. The FY 2024 expense increase was supported by the DCFS Children, Youth and Family Administration budget account (BA 3145).

Details Provided During the Subcommittee Hearing: The agency utilizes contractors through master service agreements (managed by the Department of Administration's Purchasing Division) to provide behavioral support and mental health services that support transitional community reintegration for youth who are on parole. According to the agency, youth need a variety of different services, which are required to be provided statewide, resulting in the agency budgeting for 31 vendors to provide transitional community reintegration services.

The agency indicates that many master service agreements for these services were renegotiated in FY 2023, which resulted in large rate increases. The agency states actual expenses for these services totaled $2.0 million in FY 2024 due to the rate increases, which exceeded the legislatively approved expenditure authority of $1.3 million in FY 2024. The agency reports that the increased contractual costs of $707,059 were funded with American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds authorized in the DCFS Children, Youth and Family Administration budget account (BA 3145), as directed by the Governor's Finance Office. The agency indicates that the ARPA funds in the Children, Youth and Family Administration budget account were authorized to support crisis billing of behavioral health services. As no work program was submitted for the Interim Finance Committee's (IFC) consideration to address the increased contractual costs in the Youth Parole Services budget account, the use of the ARPA funds in the Children, Youth and Family Administration budget account to fund expenses in the Youth Parole Services budget account was not legislatively authorized.

For the 2025-27 Biennium, the Governor's recommendation would increase the agency's budget authority for transitional community reintegration behavioral support and mental health services from $1.3 million in the base budget to $2.0 million in each year, which is equivalent to the total expense incurred in FY 2024, which was only partially funded from this budget account. The agency projects that the number of children requiring the services would remain constant, which would result in approximately 270 youth on average receiving at least one or more of these services per year.

The agency indicates, and the Governor's Finance Office concurs, that the Governor's recommended budget inadvertently includes an additional $4,000 each year for one vendor that should be removed to accurately align the recommendation with actual expenses incurred during FY 2024.

Hearing Discussion and Post-Hearing Update/Information: During the budget hearing on March 19, 2025, the agency testified that it did not intend to circumvent the legislative process of seeking IFC approval to support the $707,059 shortfall in FY 2024 caused by master service agreement rate increases. The agency indicated it drafted a request for an allocation from the Contingency Account for the IFC's consideration to support the shortfall, but the Governor's Finance Office directed the agency to instead use ARPA funds in the Children, Youth, and Family Administration budget account (BA 3145) that were authorized to support crisis billing of behavioral health services. Following the budget hearing, the Governor's Finance Office indicated that the contract expenses for transitional community reintegration behavioral support and mental health services paid from the ARPA funding in the Children, Youth, and Family Administration budget account were within the subaward's scope of work. According to the Governor's Finance Office, supporting the shortfall in the Youth Parole Services budget account was an allowable use of the funds. However, Fiscal staff would note, *Nevada Revised Statutes* 353.220 prescribes that an agency must submit a request to the Governor's Finance Office if it wishes to revise any budgeted allotments. If that request exceeds $350,000 in cumulative changes to an expense category, which appears would have applied to funding the noted shortfall, the request must be approved by the IFC.

As noted, Fiscal staff recommends a technical adjustment to remove the $4,000 annual expense for one vendor that was inadvertently included in the Governor's recommendation, resulting in revenue reductions of $4,000 ($2,000 General Fund) in each year of the 2025-27 Biennium.

Decision for the Subcommittee:
Does the Subcommittee wish to recommend approval of $704,737 ($352,368 General Fund) in each year of the 2025-27 Biennium, inclusive of the noted technical adjustment to remove vendor costs inadvertently included in The Executive Budget, to support an increase in contract expenditures for transitional community reintegration behavioral support and mental health services, as recommended by the Governor?

Other Closing Items

Other Closing Items	Category	Description of Decision Unit	FY 2026 General Fund	FY 2026 Other Funds	FY 2027 General Fund	FY 2027 Other Funds
1	COST ALLOCATION	Department internal cost allocation for dispatch services (E800, DHS-DCFS-101).	$ 1,566	$ 1,567	$ 1,571	$ 1,570
2		Department internal cost allocation for dispatch services (M800, DHS-DCFS-99).	$ 1,025	$ 1,026	$ 874	$ 875
3	EQUIPMENT REPLACEMENT	Replacement office furniture (E711, DHS-DCFS-100-101).	$ 61,901	$ 61,900	$ -	$ -
4	TRAINING	Peace Officer Standards and Training (POST) academy training (E251, DHS-DCFS-100).	$ 2,775	$ 2,775	$ 2,775	$ 2,775

5. Transfer In of One Psychiatric Caseworker Position from Southern Nevada Child and Adolescent Services (E502 & E902, DHS-DCFS-100-101): The Governor recommends net increases of $195,412 ($98,994 General Fund) in this budget account over the 2025-27 Biennium to transfer in and change the funding for one Psychiatric Caseworker position (Grade 33) from the Southern Nevada Child and Adolescent Services budget account (3646) to assist the Youth Parole Services' mental health team. However, the funding amounts in the decision unit for the Southern Nevada Child and Adolescent Services budget account do not align with the amounts in the decision unit in this budget account. Additionally, the agency and Governor's Finance Office indicate that Decision Unit E502 should be adjusted to properly align the funding sources that would be used to support the position in this budget account in the 2025-27 Biennium. Fiscal staff recommends a technical adjustment to align funding sources supporting the position's transfer, resulting in a reduction in General Fund appropriations of $1,289 over the 2025-27 Biennium with a corresponding increase in county reimbursements.

Fiscal staff recommends Other Closing Items 1 through 4 be closed as recommended by the Governor and Other Closing Item 5 be closed with the noted technical adjustment to align funding sources supporting the transfer of the position. Fiscal staff requests authority to make other technical adjustments, as necessary.

Additional Information – No Action Necessary

None

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026 Gov Rec	FY 2027 Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

Title: DHS-DCFS - YOUTH ALTERNATIVE PLACEMENT **Budget Page:** DHS-DCFS-74, **Volume II**
Account: 101 - 3147

Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	1,798,382	1,798,382		2,197,231	22.18	2,197,231	
OTHER FUND	2,186,312	2,186,312		2,186,312		2,186,312	
INTERAGENCY TRANSFER	698,393	741,300	6.14				
Total Revenues	4,683,087	4,725,994	0.92	4,383,543	(7.25)	4,383,543	
Total FTE		0.00		0.00		0.00	

Overview

This budget account serves as a pass-through account to provide funding to the China Spring Youth Camp (China Spring) and Aurora Pines Girls Facility (Aurora Pines) in Douglas County, and the Spring Mountain Youth Camp in Clark County. These camps provide residential treatment programs to youth who have been adjudicated delinquent by Nevada courts. The budget account is funded primarily through General Fund appropriations and county participation fees. Pursuant to *Nevada Revised Statutes* (NRS) 62B.150, the county participation fees represent assessments collected from all Nevada counties, except Clark County, for the operation of the China Spring and Aurora Pines facilities. Funding to support the operations of Spring Mountain Youth Camp has historically been provided directly by Clark County, not from county participation assessments collected and passed through this budget account. General Funds are provided to both county facilities to support operating costs. The current census for the camps is as follows: Spring Mountain - 87 youth; China Spring - 19 youth; Aurora Pines - 2 youth. According to the agency, the maximum capacity of Spring Mountain is approximately 100 youth. Additionally, the agency states China Spring and Aurora Pines can hold a maximum of 56 youth if they are funded and staffed appropriately, however, the current maximum budgeted capacity is 29 youth.

Major Closing Issue

Change in Funding Source to Maintain Current Funding Levels

Discussion of Major Closing Issue

Change in Funding Source to Maintain Current Funding Levels (E301 & E499, DHS-DCFS-74-75)

Recommendation: The Governor recommends General Fund appropriations of $398,849 in each year of the 2025-27 Biennium to replace American Rescue Plan Act (ARPA), Coronavirus State Fiscal Recovery Funds in order to maintain current funding levels at the China Spring and Aurora Pines youth camps.

The E499 decision unit is recommended to remove budgetary authority built into the adjusted base budget and does not reflect a reduction to the previously approved award allocation of ARPA Coronavirus State Fiscal Recovery Funds for the operation of the youth camps in Douglas County. The adjusted base budget does not necessarily account for funding that has been expended, or is planned to be expended, by the close of FY 2025, therefore, the Governor's recommended budget utilizes the E499 decision unit to ensure no authority is duplicated in the 2025-27 Biennium for funding that has been, or is planned to be, expended by the close of FY 2025.

Summary of Issue: ARPA funds are not an ongoing funding source for operations of the China Spring and Aurora Pines youth camps. The Governor recommends General Fund appropriations to replace ARPA funding, which would maintain the funding levels approved by the 82nd (2023) Legislature.

Details Provided During the Subcommittee Hearing: During the 82nd (2023) Legislative Session, the Legislature approved total funding of $3.9 million in each year of the 2023-25 Biennium, comprised of state funds of $1.7 million ($1.3 million General Fund appropriations and ARPA funds of $398,849) plus county participation fees of $2.2 million, for the China Spring and Aurora Pines youth camps, which restored state-provided and total funding to the legislatively approved FY 2021 level. The agency indicates it will fully expend all currently authorized ARPA funding prior to the end of FY 2025, and no new ARPA allocations are anticipated; therefore, ARPA funding will not be available to continue supporting the camps. In order to maintain funding levels approved for the 2023-25 Biennium, the Governor recommends replacing ARPA funding with General Fund appropriations.

As of March 4, 2025, two female youth were at Aurora Pines. Douglas County indicates that if current funding levels are maintained, the agency would need to determine if it would be able to keep the Aurora Pines camp open, since the current budget is insufficient to maintain Aurora Pine's operations due to inflationary costs combined with a flat budget. China Spring Youth Camp received $253,959 in opioid settlement funds to support three new positions, which the agency indicates is ongoing through 2027. This funding is not reflected in this budget account as the funds were awarded directly to China Spring Youth Camp.

The Executive Budget does not propose additional state-funded support, nor does it recommend an increase in County Assessment revenue, which are the primary sources of funding for the camp's operations. However, Douglas County indicates that to operate both Aurora Pines and China Spring at the intended capacity of 40 boys and 16 girls, it would need an additional $2.1 million ($1.3 million General Funds) in FY 2026 and $2.4 million ($1.4 million General Funds) in FY 2027; however, the county did not indicate how much it would need to maintain operations of the facilities at their current census levels.

The facilities receive state-funded support for operations of the treatment and rehabilitation of children, which is determined by the Legislature and not based on increases or decreases related to changes in expenses or caseloads. Because this budget account functions as a pass-through account, the facilities are not required to provide line-item expenditure detail related to their operations. Funding for the Douglas County camps through this budget account is provided by state funds, typically General Fund appropriations, and county assessments, as outlined in NRS 62B.150. The statute specifies that the Legislature determines the budgeted amount for operations of the facilities, determines the amount of state funds that will be used to support the camp, and prescribes that the remaining funding required to support the expenses of the camp will be collected through county assessments. The following table shows the historical legislatively approved funding amounts for the Douglas County camps in this budget account, including the Governor's recommended budget for the 2025-27 Biennium, inclusive of all decision units.

China Spring and Aurora Pines Pass-Through Funding History Youth Alternative Placement Budget Account							
Description	**Legislatively Approved Budget**					**Governor Recommends**	
	FY 2021	**FY 2022**	**FY 2023[1]**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
General Funds	$ 1,697,231	$ 1,298,382	$ 899,532	$ 1,298,382	$ 1,298,382	$ 1,697,231	$ 1,697,231
ARPA	$ -	$ -	$ -	$ 398,849	$ 398,849	$ -	$ -
Total State Funds	***$ 1,697,231***	***$ 1,298,382***	***$ 899,532***	***$ 1,697,231***	***$ 1,697,231***	***$ 1,697,231***	***$ 1,697,231***
County Assessments	$ 2,186,312	$ 2,186,312	$ 2,186,312	$ 2,186,312	$ 2,186,312	$ 2,186,312	$ 2,186,312
Total Funding	**$ 3,883,543**	**$ 3,484,694**	**$ 3,085,844**	**$ 3,883,543**	**$ 3,883,543**	**$ 3,883,543**	**$ 3,883,543**
[1]During the 2023-25 Interim, the agency received ARPA funding of $686,994 in FY 2023 not reflected in the table							

As detailed in the table, the amount of county reimbursements has not increased since at least FY 2021, while the state-funded amount has varied. If additional funding is needed to maintain the current operations of the facility and the Legislature does not increase the budget through an increase in General Fund appropriations beyond the Governor's recommendation, the Legislature could consider an increase in the overall amount of funding by including additional revenue from the counties to support the facilities' operations. However, when asked if the counties could provide funding to replace the elimination of ARPA funds, as an alternative to an increase in General Fund appropriations recommended in Decision Unit E301, Douglas County indicated that the counties would not be able to absorb the cost. Therefore, it is unclear what amount of an increase, if any, the counties could absorb.

Hearing Discussion and Post-Hearing Update/Information: During the March 19, 2025, budget hearing, the Subcommittee requested information on the current census of the Douglas County youth camps, waitlists for placement, and the funding required to maintain and fully fund operations.

A representative from the Douglas County camps reported that the current population includes 19 male and 2 female youth. Despite the Governor's recommended budget maintaining current funding levels, the representative stated that the recommended funding was not sufficient to sustain operations at the current census. Following the budget hearing, Douglas County reported that an additional $2.7 million ($1.9 million General Fund and $884,182 from county assessments) would be needed to continue operating the camps at their current census in the 2025-27 Biennium.

In addition to current census needs, Douglas County discussed that ten male youth were currently on a waitlist for China Spring and there was no waitlist for female youth at Aurora Pines. Douglas County indicates that for the last year, the waitlist has had approximately seven male youth awaiting placement at China Spring. When asked about the funding required to eliminate the waitlist, Douglas County stated that its original budget request, which would fund the camps at their full capacity, which consists of increases of $4.5 million ($2.7 million General Fund and $1.8 million from county assessments) would be needed to support the additional youth on the waitlist over the 2025-27 Biennium. Douglas County indicated that due to Prison Rape Elimination Act requirements, the facility would need to maintain appropriate youth-to-staff ratios. Therefore, staffing at the facility to include the additional youth on the waitlist would require the same staff as full capacity.

The Subcommittee also inquired whether capacity limitations have influenced how courts adjudicate youth. Douglas County indicated that judges, counties, and attorneys have expressed concerns about youth remaining in detention for extended periods, typically around seven weeks, while awaiting placement at the camp. As a result, some judges have instead released youth into intensive community supervision programs. According to Douglas County, this shifts the responsibility for rehabilitation to the community and may increase risks to public safety. Furthermore, Douglas County emphasized that youth remaining in detention longer reduces the time spent in rehabilitative programs to address issues and may conflict with the juvenile justice system's goal of providing services in the least restrictive setting.

Decision for the Subcommittee:
Does the Subcommittee wish to recommend approval of General Fund appropriations of $398,849 in each year of the 2025-27 Biennium and elimination of $398,849 of ARPA funding in each year of the 2025-27 Biennium to maintain current funding levels at the China Spring and Aurora Pines youth camps, as recommended by the Governor?

In addition, the Subcommittee may wish to consider the following options:

Does the Subcommittee wish to recommend additional funding of $2.7 million ($1.9 million General Fund and $884,182 in county assessments) to continue operating the camps at their current census in the 2025-27 Biennium?

OR

Does the Subcommittee wish to recommend additional funding of $4.5 million ($2.7 million General Funds and $1.8 million in county assessments) to operate both Aurora Pines and China Spring at full capacity of 40 boys and 16 girls in the 2025-27 Biennium?

Other Closing Items
None

Additional Information – No Action Necessary
None

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026 Gov Rec	FY 2027 Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

Title: DHS-DCFS - SUMMIT VIEW YOUTH CENTER **Budget Page:** DHS-DCFS-77, **Volume II**
Account: 101 - 3148

Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	8,371,450	8,348,011	(0.28)	12,247,082	46.71	14,077,905	14.95
INTERAGENCY TRANSFER	315,332	283,184	(10.19)	2,453,133	766.27	4,376,324	78.40
BALANCE FORWARD	398,676	278,895	(30.04)				
REVERSIONS	(105,126)						
Total Revenues	8,980,332	8,910,090	(0.78)	14,700,215	64.98	18,454,229	25.54
Total FTE		76.00		144.00		144.00	

Overview

Summit View Youth Center is a 48-bed, maximum-security, male youth correctional facility located in North Las Vegas, which originally opened in June 2000. The individuals placed at Summit View are generally Nevada's highest-risk youth with a population that includes elevated risks for assaultive and escape behavior, more serious committing offenses, and histories of unsuccessful alternative interventions. Funding is primarily provided through General Fund appropriations. The current census at Summit View Youth Center is 42 youth.

Major Closing Issue

New Intake Assessment Center

Discussion of Major Closing Issue

New Intake Assessment Center (E299, DHS-DCFS-81)

Recommendation: The Governor recommends $12.1 million ($5.8 million General Fund) over the 2025-27 Biennium to develop a new Intake Assessment Center.

Summary of Issue: The proposed Intake Assessment Center aims to reduce the time adjudicated youth spend in county detention by providing clinical screenings and assessments while the youth are in state custody. The Intake Assessment Center would be located on the Summit View Youth Center campus and would include a housing unit for youth; four buildings for the intake of youth, school programming, staff workspace, and storage; and 68 new positions.

Details Provided During the Subcommittee Hearing: The primary mission of the Intake Assessment Center is to reduce the amount of time adjudicated youth throughout the State of Nevada are detained in county detention facilities while awaiting and undergoing Division of Child and Family Services (DCFS) clinical screening and assessments. Currently, when youth are committed to the state, they undergo clinical screenings and assessments to determine the most appropriate placement. While awaiting the completion of these screenings and assessments, and their subsequent transfer to either a state juvenile detention facility or a behavioral health facility, the youth remain in a county detention facility and do not earn programming credit toward their sentence.

The agency reports that in FY 2024, youth waited an average of 50 days between being committed to the state and admission to a state juvenile justice facility. According to the agency, the Intake Assessment Center would enable adjudicated youth to enter state custody and be screened and assessed sooner, eliminating the need to wait in county detention facilities. The screenings and assessments are used to determine each youth's risk level, treatment, and programming needs, allowing the agency to identify the most appropriate state facility for their placement. Additionally, by entering state custody and being assessed sooner, youth would start earning programming credits toward their sentences earlier.

Governor's Recommendation:
According to the agency, the new Intake Assessment Center would be located at the Summit View Youth Center campus. Youth at the Intake Assessment Center would be housed in an existing, vacant building with a maximum of 24 beds. In addition, the Governor recommends, through the Capital Improvement Program (CIP), the construction of four new buildings on vacant land in order to provide services to youth. The expenses included in the Governor's recommendation are categorized in the following table to help distinguish between costs related to the recommended addition of 68 new positions, compared to expenses which are youth-driven, operating, and one-time in nature.

Governor's Recommended New Intake Assessment Center (IAC) Expenses in the 2025-27 Biennium			
Description	**FY 2026**	**FY 2027**	**2025-27 Biennium**
IAC Personnel Payroll Expenses	$ 3,297,138	$ 6,894,089	$ 10,191,227
IAC Operating Expenses	$ 129,176	$ 186,799	$ 315,975
IAC Utilities	$ 33,808	$ 33,808	$ 67,616
IAC Youth-Driven Expenses	$ 251,545	$ 680,233	$ 931,778
IAC Grant-Driven Expenses	$ 22,871	$ 64,783	$ 87,654
IAC One-Time Expenses	$ 469,436	$ -	$ 469,436
Total	**$ 4,203,974**	**$ 7,859,712**	**$ 12,063,686**

The operating, utilities, youth-driven, and one-time expenses outlined in the table above were primarily determined by calculating the cost per position, bed, or square footage of the facility for various expenditures in the base budget, adjusted by the count of positions, beds, or square footage in the decision unit.

However, multiple expenses included in the previous table were not calculated based on an average cost and instead reflect "allowances." The agency states that since the Intake Assessment Center would be a new program, some of the expenses are difficult to predict and therefore included "allowances" for certain line items to ensure sufficient funding to establish and operate the Intake Assessment Center. The amounts included for "allowances" in the agency's backup documentation are reflected in the following table:

Governor's Recommended New Intake Assessment Center (IAC) Allowances in the 2025-27 Biennium				
Category	**Description**	**FY 2026**	**FY 2027**	**2025-27 Biennium**
IAC Operating Expenses	Undetermined training that may be required	$ 30,000	$ 30,000	$ 60,000
IAC Youth-Driven Expenses	Youth transportation from the IAC to final placement	$ 15,000	$ 15,000	$ 30,000
IAC One-Time Expenses	School furniture for youth	$ 10,000	$ -	$ 10,000
	Recreational equipment for youth	$ 2,000	$ -	$ 2,000
	Furniture for staff	$ 10,000	$ -	$ 10,000
	Maintenance inventory items	$ 3,000	$ -	$ 3,000
	Window replacement	$ 20,000	$ -	$ 20,000
	Exterior and interior paint	$ 2,000	$ -	$ 2,000
	Laundry room improvements	$ 80,000	$ -	$ 80,000
	Food service improvements	$ 20,000	$ -	$ 20,000
	Total[1]	**$ 192,000**	**$ 45,000**	**$ 237,000**

[1] *Allowances in this table are included in the previous categorized expenses table.*

Staffing:
As indicated, the Governor recommends 68 new positions for the Intake Assessment Center, with start dates of October 2025 for 30 positions and April 2026 for 38 positions, to align with the agency's planned phased-in implementation, which is discussed later in this document. The position details are included in the following table:

Governor's Recommended New Intake Assessment Center Positions 2025-27 Biennium				
Position Description	**Grade**	**October 2025 Start Date Count**	**April 2026 Start Date Count**	**Total**
Academic Teacher	35	3	4	**7**
Administrative Assistant 3	27	1	1	**2**
Assistant Head Group Supervisor	36	1	1	**2**
Custodial Supervisor 1	26	1	1	**2**
Food Service Cook Supervisor 2	27	1	1	**2**
Group Supervisor 4	34	1	1	**2**
Group Supervisor 3	32	5	10	**15**
Head Group Supervisor	39	1	1	**2**
Laundry Worker 2	22	1	1	**2**
Licensed Psychologist 1	44	1	1	**2**
Management Analyst 3	37	1	0	**1**
Mental Health Counselor 3	39	1	1	**2**
Mental Health Counselor 2	37	1	2	**3**
Psychiatric Caseworker 2	33	1	2	**3**
Psychiatric Nurse 4	43	1	1	**2**
Psychiatric Nurse 3	41	2	2	**4**
Psychiatric Nurse 2	39	3	3	**6**
Substance Abuse Counselor 2	33	1	2	**3**
Therapeutic Recreation Specialist 3	36	1	1	**2**
Therapeutic Recreation Specialist 2	34	1	1	**2**
Unclassified Senior Psychiatrist	N/A	1	1	**2**
	Total	**30**	**38**	**68**

Capital Improvement Program Project:
In addition to the costs discussed previously, the Governor recommends general obligation bonds of $5.5 million over the 2025-27 Biennium for a CIP project (**25-C12, APPENDIX-4**) for the design and construction of four modular buildings and associated expenses on unused land located on the Summit View Youth Center campus, which would make up the Intake Assessment Center. According to the agency, one of the buildings would be known as the Intake Assessment Center where the screenings and assessments would be conducted, and the other three new buildings would be used for staff workstations, storage, and providing school services to youth. The agency states that the decision unit in the Governor's recommended budget would be dependent upon the approval of the CIP project. The agency indicates that if the CIP project is not approved, it would not have enough space to support the operations of the Intake Assessment Center. According to information provided by the State Public Works Division, the CIP project, if approved, would begin in January 2026 and is estimated to be completed by July 2027. The agency indicates that it would be able to provide intake services on a limited basis in the existing housing unit while the CIP project construction is underway.

Timing:
The agency is planning a phased-in approach to establish the operations of the Intake Assessment Center, which would culminate on October 1, 2026. According to the agency, the phases include:

- *Phase 1: July 1, 2025 – September 30, 2025*
  Starting July 1, 2025, the agency would begin purchasing inventory of clothing, bedding, school supplies, and recreational equipment. The vacant housing unit would be refurbished, including replacing windows and equipment, repairing lighting and irrigation, installing signage and placards, painting, and completing necessary information technology projects. Additionally, the agency would start the hiring process for 30 positions with an anticipated start date of October 1, 2025.

- *Phase 2: Starting October 1, 2025*
  On October 1, 2025, the Intake Assessment Center would officially open and begin accepting a maximum of eight youth.

- *Phase 3: January 1, 2026 – March 31, 2026*
  Beginning January 1, 2026, the hiring process for the remaining 38 positions would begin with the anticipated start date for the positions of April 1, 2026.

- *Phase 4: Starting April 1, 2026*
  On April 1, 2026, the Intake Assessment Center would increase its bed capacity by 8 additional beds, bringing the total number of available beds to 16.

- *Phase 5: Starting October 1, 2026*
  By October 1, 2026, the Intake Assessment Center would reach its full budgeted capacity of 24 beds.

Funding:
The Executive Budget recommends $12.1 million over the 2025-27 Biennium to establish the Intake Assessment Center, comprised of General Fund appropriations of $5.8 million, federal Title 1 Grant funds of $87,654, and $6.2 million in transfers of opioid settlement funds from the Fund for a Resilient Nevada. On January 27, 2025, the Governor's Finance Office submitted Budget Amendment A250473148 to replace the $5.8 million in General Fund appropriations in this decision unit with transfers of opioid settlement funds from the Fund for a Resilient Nevada, bringing the total opioid settlement funds recommended for this decision unit to $12.0 million over the 2025-27 Biennium.

The budget amendment indicates it was determined that the opioid settlement funds in the Fund for a Resilient Nevada should be maximized to support the Intake Assessment Center in order to minimize the use of General Fund appropriations. The agency indicates that the opioid crisis has led to a surge in the number of youth entering the juvenile justice system. Additionally, *Nevada Revised Statutes* (NRS) 433.738(2)(a)(9) allows the Fund for a Resilient Nevada to allocate money to statewide projects for programs for persons involved in the criminal justice or juvenile justice system.

As indicated, many of the expenses included in the recommendation are estimates and "allowances" for the new program and the program implementation involves a CIP project. In addition, the recommendation includes funding for 68 new positions in FY 2026 and as of December 2024, the DCFS vacancy rate was 24%. It is possible that delays in hiring, or the completion of the CIP project might cause the agency to not fully expend its authorized funding in FY 2026.

Hearing Discussion and Post-Hearing Update/Information: During the March 19, 2025, budget hearing, the Subcommittee expressed concern regarding Budget Amendment A250473148, which would replace $5.8 million in General Fund appropriations with an equivalent amount of transfers of opioid settlement funds from the Fund for a Resilient Nevada. The amendment would result in opioid settlement funds supporting 99.3% of the cost for the Intake Assessment Center in the 2025-27 Biennium, rather than utilizing a split funding approach as originally recommended by the Governor, where opioid settlement funds would support 51.5% of the cost, and General Fund appropriations and federal Title 1 grant funds would support the remaining 48.5%.

During the budget hearing, the agency's medical epidemiologist referenced a 2023 U.S. Department of Justice press release, which indicated that 83.6% of youth in juvenile justice facilities self-reported drug use, and 59.9% met the diagnostic criteria for a substance use disorder. Additionally, the medical epidemiologist cited a 12-year study that reported that, by the median age of 28, 91% of males and 78% of females who had spent time in juvenile justice facilities had developed a substance use disorder. The agency emphasized that early intervention, beginning with proper assessment and placement, is a form of primary prevention for youth experiencing substance misuse and involvement in the juvenile justice system. The agency's medical epidemiologist noted that, given the high prevalence of substance use among youth in the juvenile justice system, and the significant risk of developing long-term substance use disorders, utilizing opioid settlement funds for the Intake Assessment Center is an appropriate use of the funds and aligns with the goals of the Opioid Needs Assessment and Statewide Plan.

The Governor's Finance Office testified during the budget hearing that there had been discussions about fully funding the Intake Assessment Center with opioid settlement funds prior to the release of The Executive Budget, but this was not reflected in the Governor's recommendation due to an administrative oversight.

As indicated previously, the Intake Assessment Center would be located on the Summit View Youth Center campus. Although situated on the same campus, the agency clarified that the operations and resources of the Intake Assessment Center would be separate from those allocated to the Summit View Youth Center. However, the Governor's recommendation did not include the creation of a separate budget account or expenditure categories to budget or track ongoing expenses for the Intake Assessment Center separate from the Summit View Youth Center, which diminishes the transparency of expenses related to the new program. The agency and Governor's Finance Office agree that placing expenditure authority in special use categories for transparency and tracking purposes would be beneficial. If this request is approved, Fiscal staff recommends a cost-neutral technical adjustment to place a total of $1.2 million over the 2025-27 Biennium in special use expense categories to separately track operational ($315,975) and youth-driven ($931,778) expenses for the Intake Assessment Center.

Decision for the Subcommittee:
Does the Subcommittee wish to recommend approval of the Governor's recommendation, inclusive of the noted technical adjustment to place certain expenses into special use categories, of $12.1 million ($5.8 million General Fund) over the 2025-27 Biennium to develop a new Intake Assessment Center?

OR

Does the Subcommittee wish to recommend approval of the Governor's recommendation of $12.1 million, as amended by Budget Amendment A250473148, to replace $5.8 million of General Fund appropriations in the 2025-27 Biennium with transfers of opioid settlement funds from the Fund for a Resilient Nevada to develop a new Intake Assessment Center, inclusive of the noted technical adjustment to place certain expenses into special use categories?

OR

Does the Subcommittee wish to recommend approval of the Governor's recommendation to allocate $12.1 million over the 2025-27 Biennium, with 83.6% ($10.1 million) funded through transfers of opioid settlement funds from the Fund for a Resilient Nevada, aligning with the percentage of youth in juvenile justice facilities who self-reported drug use according to the Department of Justice, and 15.7% ($1.9 million) from General Fund appropriations, and the remaining 0.7% ($87,654) from Title 1 grant funds, inclusive of the noted technical adjustment to place certain expenses into special use categories?

Other Closing Items

			FY 2026		FY 2027	
Other Closing Items	Category	Description of Decision Unit	General Fund	Other Funds	General Fund	Other Funds
1	AGENCY SPECIFIC INFLATION	Agency-specific inflation for medical services, medical supplies, pharmacy, and food. (M101, DHS-DCFS-78-79)	$ 6,243	$ -	$ 6,543	$ -
2	EQUIPMENT REPLACEMENT	Replacement furniture. (E711, DHS-DCFS-82)	$ 27,111	$ -	$ -	$ -
3		Replacement radio equipment. (E715, DHS-DCFS-82)	$ 64,350	$ -	$ -	$ -
4	OPERATIONAL COSTS	Increased operating costs. (E250, DHS-DCFS-79)	$ 13,441	$ 2,749	$ 12,243	$ 3,947
5		Equipment repair costs. (E251, DHS-DCFS-80)	$ 2,662	$ 545	$ 2,425	$ 782
6		Increased in-state travel costs for youth. (E252, DHS-DCFS-80)	$ 1,857	$ 380	$ 1,692	$ 545
7	NEW EQUIPMENT	New oleoresin capsicum spray and holders for the existing duty belts worn by staff. (E727, DHS-DCFS-82-83)	$ 666	$	$ 2,329	$

8. Youth Barista Program (E253, DHS-DCFS-80-81): The Governor recommends $112,722 ($89,411 General Fund) over the 2025-27 Biennium to fund consumable items such as coffee cups, utensils, coffee, syrups, and sweeteners for the Youth Barista program. Senate Bill 495 of the 82nd (2023) Legislative Session appropriated $343,646 for deferred maintenance projects at Summit View Youth Center, inclusive of $86,906 for new equipment for the Youth Barista program. The agency states the funding was used to establish the "Skipp the Line" coffee cart. The program, which is supervised by the Food Service Manager of the facility, is intended to be an educational program for youth to gain work experience as the youth work at the coffee cart with a professional barista to serve specialized coffee drinks to youth and staff at Summit View Youth Center. The agency states there are no monetary transactions related to the products produced through the Youth Barista program.

9. Appropriations Act Language (BUDGET OVERVIEW-37): The Governor recommends continuing to allow General Funds appropriated to the three juvenile justice facility budget accounts (Summit View Youth Center, Caliente Youth Center, and the Nevada Youth Training Center) to be available to be transferred between the three budget accounts over the 2025-27 Biennium, with the approval of the Interim Finance Committee upon recommendation of the Governor, consistent with language in the 2023 Appropriations Act (Senate Bill 511, Section 54).

Fiscal staff recommends all Other Closing Items be closed as recommended by the Governor. Fiscal staff requests authority to make technical adjustments, as necessary.

Additional Information – No Action Necessary

Capital Improvement Program Project

The Governor recommends general obligation bonds of $5.5 million over the 2025-27 Biennium for the design and construction of an Intake Assessment Center at the Summit View Youth Center, which is included in the Intake Assessment Center discussion in this document (**25-C12, APPENDIX-4**).

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026	FY 2027
			Gov Rec	Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

Title: DHS-DCFS - WASHOE COUNTY CHILD WELFARE **Budget Page:** DHS-DCFS-30, **Volume II**
Account: 101 - 3141

Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	19,933,807	20,407,440	2.38	20,734,030	1.60	21,058,785	1.57
FEDERAL FUND	19,841,707	19,391,382	(2.27)	20,185,706	4.10	20,326,285	0.70
INTERAGENCY TRANSFER	4,432	113,633	2463.92	595,035	423.65	537,075	(9.74)
BALANCE FORWARD	1,040,849	445,718	(57.18)				
REVERSIONS	(98,187)						
Total Revenues	40,722,608	40,358,173	(0.89)	41,514,771	2.87	41,922,145	0.98
Total FTE		0.00		0.00		0.00	

Overview

This budget account represents the state's portion of costs for child welfare services in Washoe County, passed through to the Washoe County Human Services Agency. Pursuant to the *Nevada Revised Statutes* (NRS) 432B.2185 - 432B.219, funding in this budget is a block grant each year instead of the traditional line-item expense budget. The block grant allows Washoe County to use appropriated funds for child welfare services and does not require the reversion of unspent money to the General Fund. Additionally, NRS 432B.219 provides for a categorical grant for the cost of adoption services and a fiscal incentive plan based on county performance. This budget account is supported primarily by a General Fund appropriation and by federal Title IV-E reimbursements for foster care and adoption subsidy payments.

Major Closing Issues

1. Adoption Subsidy Caseloads
2. Implementation of the Extended Young Adult Support Services Program
3. Additional Transportation for Youth in Foster Care

Discussion of Major Closing Issues

1. Adoption Subsidy Caseloads (M201, DHS-DCFS-31)

Recommendation: The Governor recommends $1.4 million ($605,002 General Fund) over the 2025-27 Biennium to fund caseload adjustments in adoption subsidies, based on projected caseload reductions of 0.2% in FY 2026 and no change in FY 2027, in addition to an increase in the monthly adoption subsidy amount.

Summary of Issue: The adoption subsidy caseload is anticipated to be 1,580 in each year of the 2025-27 Biennium, while the non-recurring legal cost caseload is recommended to be 88 in each year of the 2025-27 Biennium.

Details Provided During the Subcommittee Hearing: In addition to a block grant for child welfare activities, NRS 432B.219 also provides for a categorical grant for the cost of adoption assistance subsidies. Unlike the block grant, a categorical grant is eligible for caseload growth, and any unspent General Fund appropriations are required to revert to the General Fund at the end of each fiscal year. Recommended caseload adjustments, based on August 2024 actual caseload information, are detailed in the following table:

Washoe County Child Welfare Governor's Recommended Adoption Subsidy Caseload Adjustments for the 2025-27 Biennium									
Caseload Description	FY 2024 Actual Caseload[1]	FY 2025 Projected Caseload	Governor Recommends						
			FY 2026			FY 2027			2025-27 Biennium Funding
			Funding	Projected Caseload	Year Change	Funding	Projected Caseload	Year Change	
Adoption Subsidies	1,568	1,583	$697,593	1,580	-0.2%	$695,537	1,580	0.0%	$1,393,130
[1]FY 2024 Actual Caseload data includes actual caseloads for July 2023 through April 2024 and projected caseloads for May and June 2024									

Adoption assistance payments, referred to as adoption subsidies, are provided to families who adopt children with special needs, as defined by NRS 127.008, which can increase over time, with higher rates for those with significant medical, mental health, or behavioral conditions. The federal Adoption Assistance and Child Welfare Act of 1980 stipulates that adoption assistance payments cannot exceed the state's foster care maintenance payment rate, which was raised by the 82nd (2023) Legislature from $27.72 to $30.07 per day (from approximately $843 to $915 per month). In the 2023-25 Biennium, the legislatively approved budget included an average monthly adoption assistance payment of approximately $643 per case. However, the agency reports the foster care rate increase approved for the 2023-25 Biennium has contributed to higher negotiated adoption assistance payments, resulting in a projected average monthly adoption assistance payment of approximately $690, which appears to be the primary factor in increased projected costs for the 2025-27 Biennium.

In addition, the Governor's recommendation includes an additional $32,500 in each year of the 2025-27 Biennium for non-recurring legal costs, increasing the total amount budgeted to $76,500 per year. The agency's current base budget includes $44,000 in each year for non-recurring legal costs which are budgeted at $500 per case. The agency projects the total number of cases it would need to support in each year of the 2025-27 Biennium is 88, which aligns with the amount budgeted for FY 2025. The county indicates that $500 per case for non-recurring legal costs is insufficient and that a new rate of $1,000 per case should be considered. However, if the intent is to increase the rate for non-recurring legal costs to $1,000 per case, it appears a total of $88,000 would be needed each year instead of $76,500.

As has been the practice in previous biennia, the agency intends to submit updates to caseload projections based on additional information that was not available when the Governor's recommended budget was transmitted to the Legislature.

Hearing Discussion and Post-Hearing Update/Information: As has been the practice in previous biennia, the agency submitted updates to caseload projections in April 2025, based on additional information that was not available when the Governor's recommended budget was transmitted to the Legislature, as shown in the following table:

Updated Washoe County Child Welfare Summary of Adoption Subsidy Caseload Adjustments for the 2025-27 Biennium									
Caseload Description	FY 2024 Actual Caseload	FY 2025 Projected Caseload	Caseload Summary						
			FY 2026			FY 2027			2025-27 Biennium Funding
			Funding	Projected Caseload	Year Change	Funding	Projected Caseload	Year Change	
Adoption Subsidies	1,566	1,532	$308,892	1,533	0.1%	$291,666	1,531	-0.1%	$ 600,557

The updated adoption subsidy caseloads project 1,533 cases in FY 2026 and 1,531 cases in FY 2027, while the non-recurring legal cost caseload is projected to be 83 cases in FY 2026 and 88 cases in FY 2027. Funding for all caseloads total $600,557 ($260,197 General Fund) over the 2025-27 Biennium. The updated caseload projections reflect decreases in cases and funding in each year relative to the caseloads in the Governor's recommended budget, resulting in a reduction of $792,572 ($344,805 General Fund decrease) over the 2025-27 Biennium when compared to The Executive Budget.

Following the budget hearing on March 19, 2025, Washoe County clarified that it requested that the non-recurring legal fee rate be increased from $500 per case to $1,000 per case given that fewer attorneys are willing to provide legal counsel at the current reimbursement rate of $500. The rate increase is not included in the Governor's recommended budget or in the updated costs related to caseloads. At the projected caseloads of 83 in FY 2026 and 88 in FY 2027, an additional $85,500 ($42,750 General Fund) would be needed to fund the per-case increase in the 2025-27 Biennium.

For the three child welfare budget accounts, the Legislature has typically prescribed the same fiscal policy for each of the three entities regarding rates. If the Subcommittee wishes to include additional funding to support a rate increase to $1,000 per case in this budget account, it may want to consider increasing funding for the Rural and Clark County Child Welfare budget accounts to equitably support similar rates in those accounts. After adjusting for caseload changes, this would require an additional $64,000 ($32,000 General Fund) in the 2025-27 Biennium to support the increase in the Rural Child Welfare budget account and $142,500 ($71,250 General Fund) in the Clark County Child Welfare budget account.

Decisions for the Subcommittee:

Does the Subcommittee wish to recommend approval of updated adoption subsidy caseload increases, submitted by the agency in April 2025, totaling $600,557 ($260,197 General Fund) over the 2025-27 Biennium, which results in a reduction of $792,572 ($344,805 General Fund) when compared to the Governor's recommended budget?

AND

Does the Subcommittee wish to recommend approval of an additional $85,500 ($42,750 General Fund) over the 2025-27 Biennium to increase the non-recurring legal counsel fees from $500 to $1,000 per case in this budget account?

2. Implementation of the Extended Young Adult Support Services Program (E251, DHS-DCFS-32)

Recommendation: The Governor recommends $2.5 million ($621,698 General Fund) over the 2025-27 Biennium to support the Washoe County Human Services Agency's implementation of the Extended Young Adult Support Services Program.

Summary of Issue: Senate Bill (S.B.) 380 of the 82nd (2023) Legislative Session required the Division of Child and Family Services to establish and administer, no later than July 2025, the Extended Young Adult Support Services Program to provide extended support services to foster youth between the ages of 18 and 21. The Extended Young Adult Support Services Program leverages the federal Fostering Connections to Success and Increasing Adoptions Act of 2008 to allow the state to receive federal Title IV-E reimbursement for costs associated with providing support services for young adults who remain in foster care up to age 21. Similar decision units are recommended for both the Rural Child Welfare and Clark County Child Welfare budget accounts.

Details Provided During the Subcommittee Hearing: As background, S.B. 397 of the 81st (2021) Legislative Session (codified as NRS 432B.5919) required the Division of Child and Family Services to establish, by January 1, 2024, the Extended Young Adult Support Services Program, which would extend foster care subsidies to young adults aged 18 to 21 years old. In addition, S.B. 397 required that, to the extent that federal or other funding was available, the Governor's recommended child welfare budgets for the 2023-25 Biennium should include enhancement decision units for the program. The Governor's recommended budget for the child welfare budget accounts in the 82nd (2023) Legislative Session included decision units to reflect extended subsidies for young adults aged 18 to 21 years old who chose to participate in Kinship Guardianship or Court Jurisdiction programs. However, it was determined that the

program as recommended would not be eligible for federal Title IV-E reimbursements, because to be eligible to receive federal Title IV-E reimbursements, all child welfare programs, including adoption subsidies, would also need to be funded for this population. The child welfare agencies indicated that even if funding were available for all programs for the young adult population, the agencies would not be able to implement the program in the 2023-25 Biennium. Due to the inability to implement the program, the Governor's recommendation was not approved.

The 82nd (2023) Legislature passed S.B. 380, which amended Section 37 of Chapter 419, *Statutes of Nevada* 2021, and extended the required implementation date of the Extended Young Adult Support Services Program from January 1, 2024, to the sooner of July 1, 2025, or when the division indicates sufficient funding exists to implement the program and an agency is prepared to participate in the program. In addition, S.B. 380 required the Division of Child and Family Services to submit a report to the Interim Finance Committee (IFC), beginning December 31, 2023, and every six months thereafter, to provide ongoing updates regarding the implementation of the Extended Young Adult Support Services Program.

Current Status:

According to the December 31, 2024, report, which was submitted for the January 29, 2025, IFC meeting, the division has been granted approval by the federal Children's Bureau for the state's Title IV-E plan, which includes support to youth ages 18 to 21 and is therefore eligible to claim Title IV-E reimbursements. The expanded opportunity to include Title IV-E reimbursement for this population is included in the Governor's recommended budget in each of the child welfare budget accounts in the 2025-27 Biennium. The state's approved plan includes expansions of the Adoption Subsidies, Kinship Guardianship Assistance programs, and foster care programs. Additionally, the report indicates that a bill draft request (BDR 38-1123) has been submitted to enact the Extended Young Adult Support Services Program.

In order to support additional youth that would be eligible for the Extended Young Adult Support Services Program, the Governor has recommended enhancements in each of the child welfare agency's budget accounts. The enhancements include funding increases for new positions, additional caseload, and various operating costs. Each of these costs will be discussed in more detail in the closing document for the corresponding budget accounts. The following table provides an overview of the costs related to the Extended Young Adult Support Services Program for each child welfare agency by region, as included in the Governor's recommended budget:

Child Welfare Agencies
Extended Young Adult Support Service Program Expenses
for the 2025-27 Biennium

Description	Region			Total
	Rural	Washoe	Clark	
Position Costs	$ 1,037,736	$ 1,324,613	$ 3,672,808	**$ 6,035,157**
Caseload Costs	$ 638,918	$ 1,103,056	$ 4,054,653	**$ 5,796,627**
Operating Costs	$ 453,252	$ 31,333	$ -	**$ 484,585**
Total	**$ 2,129,906**	**$ 2,459,002**	**$ 7,727,461**	**$ 12,316,369**

(**E251, DHS-DCFS – 32, 36, and 43**)

In order to implement the Extended Young Adult Support Services Program in the Washoe County Child Welfare budget account, the Governor recommends personnel costs of $1.3 million, caseload expenses of $1.1 million, and operating costs of $31,333 over the 2025-27 Biennium.

Nevada child welfare agencies determined that one additional Caseworker position would be needed for every 25 cases the child welfare agencies would be required to manage. According to the Washoe County Human Services Agency, the projected number of youth who would be eligible under the Extended Young Adult Support Services Program would be 48 in FY 2026 and 73 in FY 2027, resulting in the recommendation for two new Caseworker positions in FY 2026 and one additional Caseworker position in FY 2027.

In addition to the Caseworker positions that would support the caseload, the county indicates that the Governor's recommendation includes funding for one Eligibility Specialist position to interview potential clients and collect data for eligibility determinations for various state and federal programs; and one Human Services Support Specialist position to provide support and education to clients including home management, money management, and general health practices, as well as direct clients to additional support programs. Lastly, Washoe County's recommendation includes $31,333 in FY 2026 for four workstations and four computers.

Funding:
Based on the Governor's recommendation, these costs would be supported by $2.5 million in funding over the 2025-27 Biennium, comprised of $621,698 in General Fund appropriations, $836,060 in federal Title IV-E authority, and $1.0 million in opioid settlement funds transferred from the Fund for a Resilient Nevada. The Fund for a Resilient Nevada budget account allocates settlement money received by the state from litigation concerning opioids, based on a needs assessment and statewide plan pursuant to NRS 433.734. The Division of Child and Family Services reports that in FY 2023, 63.0% of children entering foster care had a parental substance use-related removal reason, which has been increasing since 2019. According to the agency, the opioid crisis has caused a surge in the number of children entering the child welfare system.

Caseload:
Based on backup information provided by the county, the population included in the caseload for the Extended Young Adult Support Services Program includes all youth in foster care who will be between the ages of 18 and 21 after July 1, 2025. However, the Division of Child and Family Services indicates that most youth leave foster care before they turn 18 and that the average foster care age-out rate is 5.5% based on data from FY 2019 through FY 2023. Accordingly, it is unclear why Washoe County is budgeting to support the full foster care population who would be between the ages of 18 and 21 after July 1, 2025, if it anticipates that a majority of this population would leave foster care before they turn 18. It appears the number of cases and related expenses in the Governor's recommendation for this population may be overstated, as the count of youth in the caseload calculations may not accurately represent the number of youth Washoe County would actually support.

In addition, it also appears that Washoe County's population projection does not include an estimated 32 youth in FY 2026 and 9 youth in FY 2027 who have already aged-out of foster care but would be eligible for the Extended Young Adult Support Services Program after the program goes into effect on July 1, 2025.

Lastly, as discussed in Major Closing Issue 1, the state's foster care maintenance payment rate is $30.07 per day (approximately $915 per month). According to the supporting calculations provided with the Governor's recommendation, the monthly foster care maintenance payment rate for the Extended Young Adult Support Services Program caseloads would be $971, which is $56 per month higher than the legislatively approved foster care maintenance payment rate of approximately $915 per month.

Hearing Discussion and Post-Hearing Update/Information: During the budget hearing on March 19, 2025, the Subcommittee expressed concerns about how the Governor's recommendation for the Extended Young Adult Support Services Program was determined and how the Division of Child and Family Services (DCFS) prioritized its requests. The agency indicated that it included Clark and Washoe County's requests in the agency's requested budget but noted that not all requests ultimately make it into the Governor's recommended budget due to General Fund funding limits that are determined by the Governor's Finance Office. The Governor's Finance Office then clarified that it limits an agency's General Fund request to two times the amount that was legislatively approved in the second year of the current biennium, after being adjusted for cost-of-living adjustments and removal of one-time funding. The final determination for inclusion of budget requests is made by the Governor's Finance Office once the Economic Forum releases its forecast in December, prior to the start of a legislative session.

The Subcommittee also expressed concerns regarding the use of opioid settlement funds transferred from the Fund for a Resilient Nevada to support the implementation of the Extended Young Adult Support Services Program and sought to understand how the Governor's funding recommendation ties to the number of youth that are impacted by opioid use. The agency's Medical Epidemiologist testified that 63.0% of children statewide who entered the foster care system in 2023 were removed from their families for reasons that included parental substance misuse. The Medical Epidemiologist indicated that 50.0% to 80.0% of abused and neglected children involved in the child welfare system had a parent with a significant substance abuse problem, and cited a study that indicates the risk for child maltreatment is similar compared to mothers who use opioids versus other substances. The Medical Epidemiologist noted there has been a 22.0% increase in children being removed for parental substance misuse since 2019, and children removed for that reason tended to stay in the child welfare system longer and were less likely to have a family reunification due to the challenges parents faced in overcoming substance abuse. In addition, children who have adverse childhood experiences, such as abuse and neglect, are at a much higher risk of developing substance abuse disorders. In that regard, interventions to address childhood trauma and promote stability into adulthood, such as the Extended Young Adult Support Services Program, could be considered primary prevention and align with the Nevada Opioid Needs Assessment and Statewide Plan. For each of the three Child Welfare budget accounts, the agency indicated the state funding portion should include 25.0% General Fund and 75.0% opioid settlement funds in FY 2026 and a 50.0% split of each funding source in FY 2027, reflecting a "tiered-down" effect; however, no justification was provided as to why the phased reduction was recommended.

Caseload and Funding Updates

Following the budget hearing, the agency provided updated caseload information, which was expanded to include youth who have already aged-out of foster care but would be eligible for the Extended Young Adult Support Services Program once the program goes into effect on July 1, 2025, which were not included in the caseload in the Governor's recommended budget. In addition, various rates included in the agency's original backup calculations were updated and now align with actions taken by the 82nd (2023) Legislature.

The following table provides an overview of the costs related to the Extended Young Adult Support Services Program for each child welfare agency, based on updated caseload information provided by the DCFS:

Child Welfare Agencies Extended Young Adult Support Service Program Expenses for the 2025-27 Biennium as Updated				
Description	Region			Total
	Rural	Washoe	Clark	
Position Costs	$ 1,098,754	$ 1,802,434	$ 6,807,522	**$ 9,708,710**
Caseload Costs	$ 1,035,780	$ 1,345,327	$ 10,174,800	**$ 12,555,907**
Operating Costs	$ 464,153	$ 47,000	$ -	**$ 511,153**
Total	**$ 2,598,687**	**$ 3,194,761**	**$ 16,982,323**	**$ 22,775,770**

Washoe County projects it would support 91 eligible youth in FY 2026 and 84 eligible youth in FY 2027, which represents 100.0% of the eligible population. As noted previously, the DCFS indicates that most youth leave foster care before turning 18 and that the average foster care age-out rate is 5.5% based on data from FY 2019 through FY 2023. However, the agency stated it anticipates a larger number of youth to opt-in to the program, and notes that the court jurisdiction population currently has a 96.0% participation rate.

Based on the updated caseload and rate information, the agency reports Washoe County would be supported by $3.2 million in funding over the 2025-27 Biennium, comprised of $894,190 in General Fund appropriations, $805,345 in federal Title IV-E authority, and $1.5 million in opioid settlement funds transferred from the Fund for a Resilient Nevada. The reported funding would result in a net increase of $735,759 ($272,491 General Fund) over the 2025-27 Biennium when compared to The Executive Budget. A summary of the updated information can be seen in the following table:

Washoe County Child Welfare Extended Young Adult Support Services Program 2025-27 Biennium Summary as Updated			
	FY 2026	FY 2027	2025-27 Biennium
Blended Caseload	91	84	175
Positions	4	4	4
General Fund	$ 300,518	$ 593,671	$ 894,190
Title IV-E	$ 403,433	$ 401,912	$ 805,345
Opioid	$ 901,555	$ 593,671	$ 1,495,226
Total	**$ 1,605,506**	**$ 1,589,255**	**$ 3,194,761**

As noted, Nevada child welfare agencies determined that 1 additional Caseworker position would be needed for every 25 cases the child welfare agencies would be required to manage. Based on the updated caseload projections, the number of youth who would be eligible under the Extended Young Adult Support Services Program in Washoe County would be 91 in FY 2026 and 84 in FY 2027. Due to the increased number of cases, Washoe County would need a total of 4 Caseworker positions over the 2025-27 Biennium, as included in the table above, which is an increase of 1 additional Caseworker position when compared to the Governor's recommendation.

Based on the Governor's recommended funding structure for the Extended Young Adult Support Services Program, inclusive of the updated caseload and rate information, adoption caseload subsidies totaling $181,447 ($30,070 General Fund) would be placed into the Washoe County Child Welfare categorical grant, which requires remaining General Funds to revert pursuant to NRS 432B.219. However, the remaining $3.0 million ($864,120 General Fund) would be placed into Washoe County's Block Grant, which does not require unspent General Fund appropriations to revert pursuant to NRS 432B.2185. As noted previously, the DCFS proposes including funding in each of the three Child Welfare budget accounts for 100% of the eligible youth population. It would appear reasonable that many youth who would become eligible would participate in the program; however, since the program would be initially implemented starting July 1, 2025, it is unclear whether the entire eligible youth population would be enrolled immediately upon the program's implementation.

Replacement of the Court Jurisdiction Program

Fiscal staff was notified on April 23, 2025, that the Extended Young Adult Support Services Program, if approved, would replace each child welfare agency's Court Jurisdiction Program. However, the Governor's recommended budget does not include funding reductions to represent the elimination of the Court Jurisdiction Program upon the approval of the Extended Young Adult Support Services Program. Fiscal staff sought additional information from each child welfare agency to identify the funding in each budget account that would support the Court Jurisdiction Program in the 2025-27 Biennium and the number of staff in each agency related to the program.

In response, Washoe County stated the funding provided by the State of Nevada, through the block grant, does not fund any costs associated with the Court Jurisdiction Program, and therefore no staff related to its Court Jurisdiction Program were funded with state funds. The block grant is not based on traditional line-item expenses and instead allows Washoe County to use appropriated funds for child welfare services. Based on Washoe County's response that no state funding supports its Court Jurisdiction Program, Fiscal staff was unable to determine if any of the funding or positions included in the updated caseloads and funding for the Extended Young Adult Support Services Program should be adjusted to reflect Washoe County's utilized state funding and staffing resources.

Decision for the Subcommittee:

Does the Subcommittee wish to recommend approval of $3.2 million ($894,190 General Fund) over the 2025-27 Biennium to support the implementation of the Extended Young Adult Support Services Program in the Washoe County Child Welfare budget account, inclusive of the caseload updates provided by the agency, which results in a net increase of $735,759 ($272,491 General Fund) over the 2025-27 Biennium when compared to the Governor's recommended budget?

OR

Does the Subcommittee wish to recommend approval of approximately $1.7 million ($518,360 General Fund) over the 2025-27 Biennium to support the implementation of the Extended Youth Adult Support Services Program in the Washoe County Child Welfare budget account, but for the foster care caseload, to provide funding only for the estimated 5.5% of foster youth who have historically aged-out of foster care based on the data provided from FY 2019 through FY 2023, with a corresponding decrease in caseload driven staff?

3. Additional Transportation for Youth in Foster Care (E267, DHS-DCFS-32)

Recommendation: The Governor recommends $410,000 ($307,956 General Fund) over the 2025-27 Biennium to support additional transportation for youth in foster care in Washoe County.

Summary of Issue: Additional funding to support transportation for foster youth in Washoe County would create additional opportunities for youth to participate in normalcy activities.

Details Provided During the Subcommittee Hearing: The agency indicates it provides transportation to activities such as parental visits, therapy appointments, medical and dental appointments, summer programming, school activities, and case planning activities. In addition, the agency provides transportation to and from school in cases where the school district is unable to accommodate a bus route due to the distance between the child's foster home and the child's school of origin, which the agency reports impacts about 20 foster youth per year. According to the agency, these transportation services provide normalcy in the child's life and improve foster parent retention.

Washoe County Human Services Agency reports it provided 3,787 transports in FY 2022, 5,904 transports in FY 2023, and 8,373 transports in FY 2024, which reflects a rising trend in transport provided by the agency. Due to the rising number of transports, the agency states it is struggling to cover the costs. If approved, the funding would increase the agency's block grant and provide funding for approximately 2,500 additional trips in FY 2026 and additional 2,625 trips in FY 2027, at an average of $80 per round trip.

As indicated, the funding in this decision unit would be an increase to the block grant funding provided to the Washoe County Human Services Agency. The block grant is not based on traditional line-item expenses and instead allows Washoe County to use appropriated funds for child welfare services. Block grant funding does not require the reversion of unspent money to the General Fund and is also not subject to adjustments based on changes in costs or caseloads.

Based on the information provided by Washoe County Human Services Agency, the agency is requesting an increase in its block grant funding to cover a portion of the approximately 8,000 transports it completed in FY 2024. Due to the increase in trips, the agency indicates it is a challenge to fund the trips, but the agency did not indicate if it had pursued other options for funding the transports.

The funding split in this recommendation is determined by the current Federal Medical Assistance Percentage (FMAP) rate and the Washoe County Human Services Agency's penetration rate. The DCFS will be providing updated rates prior to the budget closing, which may have an impact on the funding split as recommended by the Governor.

Hearing Discussion and Post-Hearing Update/Information: During the budget hearing on March 19, 2025, the Subcommittee questioned how the determination was made to include additional funding for transportation costs for the Washoe County and Rural Child Welfare budget accounts and not in the Clark County Child Welfare budget account. The DCFS indicated funding was not included in the Clark County Child Welfare budget account due to the funding limits determined by the Governor's Finance Office.

As noted, for the three child welfare budget accounts, the Legislature has typically prescribed the same fiscal policy for each entity. The Governor's recommended budget includes funding in the Rural Child Welfare budget account for transportation costs, so if the Subcommittee wishes to recommend approval of the Governor's recommendation to include funding to support transportation costs in the other two child welfare budget accounts, the Subcommittee may also wish to recommend including funding for transportation in the Clark County Child Welfare budget account. The estimated additional funding for transportation that would be needed in the Clark County Child Welfare budget account, based on the agency's original budget request, would be $996,000 ($821,700 General Fund) over the 2025-27 Biennium.

Decision for the Subcommittee:
Does the Subcommittee wish to recommend approval of $410,000 ($307,956 General Fund) over the 2025-27 Biennium to support additional transportation for youth in foster care in Washoe County, as recommended by the Governor?

Other Closing Items

Other Closing Items	Category	Description of Decision Unit	FY 2026 Other Funds	FY 2027 Other Funds
1	REVENUE ADJUSTMENTS	Aligns Child Support Enforcement revenues with a three-year average. (E250, DHS-DCFS-31)	$ (48,200)	$ (48,200)

2. Appropriations Act Language (BUDGET OVERVIEW-34-35): The Governor recommends continuing to allow General Funds appropriated to this budget account to be available in both FY 2026 and FY 2027 within the same budget account, with the approval of the Interim Finance Committee upon recommendation of the Governor, consistent with language in the 2023 Appropriations Act (S.B. 511, Section 36).

3. Appropriations Act Language (BUDGET OVERVIEW-39): The Governor recommends limiting the amounts appropriated to this budget account for the purpose of providing respite and block grant allocations to child welfare agencies in counties whose population is 100,000 or more to the amounts included in the 2025 Appropriations Act, except for the adoption assistance programs established in NRS 432B.219, consistent with language in the 2023 Appropriations Act (S.B. 511, Section 66).

4. Authorizations Act Language: The 2023 Authorizations Act (S.B. 504, Section 17) allows Washoe County to accept an additional amount of money from sources other than the General Fund and apply it to augment child welfare services. Fiscal staff recommends continuing this language in the 2025 Authorizations Act.

Fiscal staff recommends Other Closing Items 1 through 3 be closed as recommended by the Governor and the noted language in Other Closing Item 4 be included in the 2025 Authorizations Act. Fiscal staff requests authority to make technical adjustments, as necessary.

Additional Information – No Action Necessary

None

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026 Gov Rec	FY 2027 Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

Title: DHS-DCFS - CLARK COUNTY CHILD WELFARE **Budget Page:** DHS-DCFS-34, **Volume II**
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Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	69,397,398	72,032,487	3.80	74,519,353	3.45	76,000,972	1.99
FEDERAL FUND	62,018,439	57,438,598	(7.38)	62,037,751	8.01	63,655,863	2.61
INTERAGENCY TRANSFER	423,664	10,016	(97.64)	1,698,188	16854.75	1,412,348	(16.83)
BALANCE FORWARD	1,916,873	892,514	(53.44)				
REVERSIONS	(766,079)						
Total Revenues	132,990,295	130,373,615	(1.97)	138,255,292	6.05	141,069,183	2.04
Total FTE		0.00		0.00		0.00	

Overview

This budget account represents the state's portion of costs for child welfare services in Clark County, passed through to the Clark County Department of Family Services. Pursuant to *Nevada Revised Statutes* (NRS) 432B.2185-432B.219, funding in this budget account is a block grant each year instead of the traditional line-item expense budget. The block grant allows Clark County to use appropriated funds for child welfare services and does not require the reversion of unspent money to the General Fund. Additionally, NRS 432B.219 provides for a categorical grant for the cost of adoption services and a fiscal incentive plan based on county performance. This budget account is supported primarily by a General Fund appropriation and by federal Title IV-E reimbursements for foster care and adoption subsidy payments.

Major Closing Issues

1. Adoption Subsidy Caseloads
2. Implementation of the Extended Young Adult Support Services Program
3. Funding for School of Origin Transportation

Discussion of Major Closing Issues

1. Adoption Subsidy Caseloads (M200 & M201, DHS-DCFS-35)

Recommendation: The Governor recommends net funding of $14.4 million ($6.1 million General Fund) over the 2025-27 Biennium to fund caseload adjustments in adoption subsidies, based on projected caseload growth of 3.7% in FY 2026 and 3.4% in FY 2027, in addition to an increase in the monthly adoption subsidy rate.

Summary of Issue: This issue has been identified to provide an opportunity for the Subcommittee to ask questions of the agency and review pertinent details of the recommended caseload adjustments; however, no significant issues related to the agency's caseload have been identified.

Details Provided During the Subcommittee Hearing: In addition to a block grant for child welfare activities, NRS 432B.219 also provides for a categorical grant for the cost of adoption assistance subsidies. Unlike the block grant, a categorical grant is eligible for caseload growth and any unspent General Fund appropriations are required to revert to the General Fund. Recommended caseload adjustments, based on August 2024 actual caseload information, are detailed in the following table:

Clark County Child Welfare Governor's Recommended Adoption Subsidy Caseload Adjustments for the 2025-27 Biennium									
Caseload Description	FY 2024 Actual Caseload[1]	FY 2025 Projected Caseload	Governor Recommends						
			FY 2026			FY 2027			2025-27 Biennium Funding
			Funding	Projected Caseload	Prior Year Change	Funding	Projected Caseload	Prior Year Change	
Adoption Subsidies	5,921	6,187	$6,217,529	6,416	3.7%	$8,189,535	6,636	3.4%	$ 14,407,064
[1]FY 2024 Actual Caseload data includes actual caseloads for July 2023 through April 2024 and projected caseloads for May and June 2024									

For the 2025-27 Biennium, The Executive Budget adjusts projected caseloads in a two-step process. First, if the difference between the legislatively approved FY 2025 caseload and the FY 2025 projected caseload is negative, the M200 decision unit is used (**M200, DHS-DCFS-35**). Next, growth over the legislatively approved FY 2025 caseload for each year of the 2025-27 Biennium is budgeted (**M201, DHS-DCFS-35**). For clarity, the caseload changes from both steps are presented together in the previous table to demonstrate the full cost of the caseload adjustments recommended for the 2025-27 Biennium.

Adoption assistance payments, or adoption subsidies, are provided to families who adopt children with special needs, as defined by NRS 127.008, which can increase over time, with higher rates for those with significant medical, mental health, or behavioral conditions. The federal Adoption Assistance and Child Welfare Act of 1980 stipulates that adoption assistance payments cannot exceed the state's foster care maintenance payment rate, which was raised by the 82nd (2023) Legislature from $24.35 to $30.07 per day (from approximately $741 to $915 per month). In the 2023-25 Biennium, the legislatively approved budget included an average monthly adoption assistance payment of $638.08 per case. Clark County Department of Family Services projected average monthly adoption assistance payment in the Governor's recommended budget would increase to approximately $751 in the 2025-27 Biennium.

Hearing Discussion and Post-Hearing Update/Information: As has been the practice in previous biennia, the agency submitted updates to caseload projections in April 2025, based on additional information that was not available when the Governor's recommended budget was transmitted to the Legislature, as shown in the following table:

Updated Clark County Child Welfare Summary of Adoption Subsidy Caseload Adjustments for the 2025-27 Biennium									
Caseload Description	FY 2024 Actual Caseload	FY 2025 Projected Caseload	Caseload Summary						
			FY 2026			FY 2027			2025-27 Biennium Funding
			Funding	Projected Caseload	Prior Year Change	Funding	Projected Caseload	Prior Year Change	
Adoption Subsidies	5,920	5,972	$3,273,894	6,071	1.7%	$4,519,783	6,208	2.3%	$ 7,793,677

The updated adoption subsidy caseloads project 6,071 cases in FY 2026 and 6,208 cases in FY 2027, while the non-recurring legal cost caseload is projected to be 141 cases in FY 2026 and 143 cases in FY 2027. Increases in funding for all caseloads total $7.8 million ($3.3 million General Fund) over the 2025-27 Biennium. The updated caseload projections reflect decreases in cases and funding in each year relative to the caseloads in the Governor's recommended budget, resulting in a reduction of $6.6 million ($2.8 million General Fund decrease) over the 2025-27 Biennium when compared to The Executive Budget.

As discussed in the closing document for the Washoe County Child Welfare budget account, the Legislature has typically prescribed the same fiscal policy for each of the three child welfare budget accounts regarding rates. If the Subcommittee recommended additional funding in the Washoe County Child Welfare budget account to support an increase in the non-recurring legal rate from $500 to $1,000 per case, then the Subcommittee may wish to recommend funding for the same rate increase in this budget account. At the projected caseloads of 141 in FY 2026 and 143 in FY 2027, an additional $142,500 ($71,250 General Fund) would be needed to fund the per-case increase in the 2025-27 Biennium in the Clark County Child Welfare budget account.

Decision for the Subcommittee:
Does the Subcommittee wish to recommend approval of updated adoption subsidy caseload increases, submitted by the agency in April 2025, totaling $7.8 million ($3.3 million General Fund) over the 2025-27 Biennium, which results in a reduction of $6.6 million ($2.8 million General Fund) when compared to the Governor's recommended budget?

AND

Does the Subcommittee wish to recommend approval of an additional $142,500 ($71,250 General Fund) over the 2025-27 Biennium to increase the non-recurring legal counsel fees from $500 to $1,000 per case in this budget account?

2. Implementation of the Extended Young Adult Support Services Program (E251, DHS-DCFS-36)

Recommendation: The Governor recommends $7.7 million ($2.0 million General Fund) over the 2025-27 Biennium to support the Clark County Department of Family Services' implementation of the Extended Young Adult Support Services Program.

Summary of Issue: Senate Bill 380 of the 82nd (2023) Legislative Session required the Division of Child and Family Services to establish and administer, no later than July 1, 2025, the Extended Young Adult Support Services Program to provide extended support services to foster youth between the ages of 18 and 21. The Extended Young Adult Support Services Program leverages the federal Fostering Connections to Success and Increasing Adoptions Act of 2008 to allow the state to receive federal Title IV-E reimbursement for costs associated with providing support services for young adults who remain in foster care up to age 21. Similar decision units are recommended for both the Rural Child Welfare and Washoe County Child Welfare budget accounts.

Details Provided During the Subcommittee Hearing: A detailed discussion regarding the history of the Extended Young Adult Support Services Program is included in the closing document for the Washoe County Child Welfare budget account (BA 3141).

In order to implement the Extended Young Adult Support Services Program in the Clark County Child Welfare budget account, the Governor recommends personnel costs of $3.7 million and caseload expenses of $4.1 million over the 2025-27 Biennium.

Nevada child welfare agencies determined that one additional Caseworker position (referred to as a Family Services Specialist position in Clark County) would be needed for every 25 cases the child welfare agencies would be required to manage. According to the Clark County Department of Family Services, the projected number of youth who would be eligible under the Extended Young Adult Support Services Program would be 227 in FY 2026 and 266 in FY 2027, resulting in the recommendation for nine new Caseworker positions in FY 2026 and two additional Caseworker positions in FY 2027.

In addition to the Caseworker positions that would support the caseload, the county indicates that the Governor's recommendation includes funding for one Family Services Manager position to provide oversight and support to young adults; two Family Services Supervisor positions to provide oversight, guidance, and support for Family Services Specialist and Eligibility Specialist positions; and two Eligibility Specialist positions to complete eligibility determinations for young adults and redetermine eligibility for young adults choosing to re-enter foster care.

Funding:
Based on the Governor's recommendation, these costs would be supported by $7.7 million in funding over the 2025-27 Biennium, comprised of $2.0 million in General Fund appropriations, $2.7 million in federal Title IV-E authority, and $3.1 million in opioid settlement funds transferred from the Fund for a Resilient Nevada. The Fund for a Resilient Nevada budget account allocates settlement money received by the state from litigation concerning opioids, based on a needs assessment and statewide plan pursuant to NRS 433.734. The Division of Child and Family Services reports that in FY 2023, 63.0% of children entering foster care had a parental substance use-related removal reason, which has been increasing since 2019. According to the agency, the opioid crisis has caused a surge in the number of children entering the child welfare system.

Caseload:
Based on backup information provided by Clark County, the population included in the caseload for the Extended Young Adult Support Services Program includes all youth in foster care who will be between the ages of 18 and 21 after July 1, 2025. However, the Division of Child and Family Services indicates that most youth leave foster care before they turn 18 and that the average foster care age-out rate is 5.5% based on data from FY 2019 through FY 2023. Accordingly, it is unclear why Clark County is budgeting to support the full foster care population who would be between the ages of 18 and 21 after July 1, 2025, if it is anticipated that a majority of this population would leave foster care before they turn 18. It appears the number of cases and related expenses in the Governor's recommendation for this population may be overstated as the count of youth in the caseload calculations may not accurately represent the number of youth Clark County would actually support.

In addition, it also appears that Clark County's population projection does not include an estimated 175 youth in FY 2026 and 55 youth in FY 2027 who have already aged-out of foster care but would be eligible for the Extended Young Adult Support Services Program after the program goes into effect on July 1, 2025.

Lastly, as discussed in Major Closing Issue 1, the state's foster care maintenance payment rate is $30.07 per day (approximately $915 per month). According to the supporting calculations provided with the Governor's recommendation, the monthly foster care maintenance payment rate for the Extended Young Adult Support Services Program caseloads would be $971, which is $56 per month higher than the legislatively approved foster care maintenance payment rate of approximately $915 per month.

Hearing Discussion and Post-Hearing Update/Information: During the budget hearing on March 19, 2025, the process for developing the Governor's recommendations and the use of opioid settlements funds was discussed, which is included in the closing document for the Washoe County Child Welfare budget account.

Caseload and Funding Updates
Following the budget hearing, the agency provided updated caseload information which was expanded to include youth who have already aged-out of foster care but would be eligible for the Extended Young Adult Support Services Program once the program goes into effect on July 1, 2025, which were not included in the caseload in the Governor's recommended budget. In addition, various rates included in the agency's original backup calculations were updated and now align with actions taken by the 82nd (2023) Legislature.

Clark County projects it would support 605 eligible youth in FY 2026 and 644 eligible youth in FY 2027, which represents 100% of the eligible population. As noted previously the Division of Child and Family Services indicates that most youth leave foster care before turning 18 and that the average foster care age-out rate is 5.5% based on data from FY 2019 through FY 2023. However, the agency stated it anticipates a larger number of youth to opt-into the program, and notes that the court jurisdiction population currently has a 96.0% participation rate.

Based on the updated caseload and rate information, the agency reports Clark County would be supported by $17.0 million in funding over the 2025-27 Biennium, comprised of $4.7 million in General Fund appropriations, $4.5 million in federal Title IV-E authority, and $7.7 million in opioid settlement funds transferred from the Fund for a Resilient Nevada. The reported funding would result in a net increase of $9.3 million ($2.8 million General Fund) over the 2025-27 Biennium when compared to The Executive Budget. A summary of the updated information can be seen in the following table:

Clark County Child Welfare
Extended Young Adult Support Services Program
2025-27 Biennium Summary as Updated

	FY 2026	FY 2027	2025-27 Biennium
Blended Caseload	605	644	1,249
Positions	24	26	26
General Fund	$1,501,318	$3,239,873	$ 4,741,191
Title IV-E	$2,126,232	$2,371,074	$ 4,497,306
Opioid	$4,503,953	$3,239,873	$ 7,743,826
Total	**$8,131,502**	**$8,850,820**	**$ 16,982,322**

As noted, Nevada child welfare agencies determined that one additional Caseworker position would be needed for every 25 cases the child welfare agencies would be required to manage. Based on the updated caseload projections, the number of youth who would be eligible under the Extended Young Adult Support Services Program in Clark County would be 605 in FY 2026 and 644 in FY 2027. Due to the increased number of cases, Clark County would need a total of 24 Caseworker positions in FY 2026 and an additional 2 Caseworker positions in FY 2027, as included in the table above, which is an increase of 15 additional Caseworker positions over the 2025-27 Biennium when compared to the Governor's recommendation of 11 positions.

Based on the Governor's recommended funding structure for the Extended Young Adult Support Services Program, inclusive of the updated caseload and rate information, adoption caseload subsidies totaling $1.5 million ($253,650 General Fund) over the 2025-27 Biennium would be placed into the Clark County Child Welfare categorical grant, which requires remaining General Funds to revert pursuant to NRS 432B.219. However, the remaining $15.8 million ($4.5 million General Fund) would be placed into Clark County's Block Grant, which does not require unspent General Fund appropriations to revert pursuant to NRS 432B.2185. As noted previously, the Division of Child and Family Services proposes including funding in each of the three Child Welfare budget accounts for 100% of the eligible youth population. It would appear reasonable that many youth who would become eligible would participate in the program; however, since the program would be initially implemented starting July 1, 2025, it is unclear whether the entire eligible youth population would be enrolled immediately upon the program's implementation.

Replacement of the Court Jurisdiction Program

Fiscal staff was notified on April 23, 2025, that the Extended Young Adult Support Services Program, if approved, would replace each child welfare agency's Court Jurisdiction Program. However, the Governor's recommended budget does not include funding reductions to represent the elimination of the Court Jurisdiction Program upon the approval of the Extended Young Adult Support Services Program. Fiscal staff sought additional information from each child welfare agency to identify the funding in each budget account that would support the Court Jurisdiction Program in the 2025-27 Biennium and the number of staff in each agency related to the program.

In response, Clark County stated the funding provided by the State of Nevada, through the block grant, does not fund any costs associated with the Court Jurisdiction Program, and therefore no staff related to its Court Jurisdiction Program were funded with state funds. The block grant is not based on traditional line-item expenses and instead allows Clark County to use appropriated funds for child welfare services. Based on Clark County's response that no state funding supports its Court Jurisdiction Program, Fiscal staff was unable to determine if any of the funding or positions included in the updated caseloads and funding for the Extended Young Adult Support Services Program should be adjusted to reflect Clark County's utilized state funding and staffing resources.

Decision for the Subcommittee:

Does the Subcommittee wish to recommend approval of $17.0 million ($4.7 million General Fund) over the 2025-27 Biennium to support the implementation of the Extended Young Adult Support Services Program in the Clark County Child Welfare budget account, inclusive of the caseload updates provided by the agency, which results in a net increase of $9.3 million ($2.8 million General Fund) over the 2025-27 Biennium when compared to the Governor's recommended budget?

OR

Does the Subcommittee wish to recommend approval of approximately $6.2 million ($1.6 million General Fund) over the 2025-27 Biennium to support the implementation of the Extended Young Adult Support Services Program in the Clark County Child Welfare budget account, but for the foster care caseload, to provide funding only for the estimated 5.5% of foster youth who have historically aged-out of foster care based on the data provided from FY 2019 through FY 2023, with a corresponding decrease in caseload-driven staff?

3. Funding for School of Origin Transportation (Not Included in The Executive Budget)

Recommendation: This recommendation is not included in The Executive Budget.

Summary of Issue: The Governor's recommended budget for the 2025-27 Biennium did not include a recommendation to increase funding in this budget account for transportation. However, as noted in the closing document for the Washoe County Child Welfare budget account, the Legislature has typically prescribed the same fiscal policy for each of the three Child Welfare budget accounts. Should the Subcommittee wish to consider additional funding for school of origin transportation for foster youth, Fiscal staff has provided additional information.

Details Provided During the Subcommittee Hearing: No information was provided by Fiscal staff related to this issue for the budget hearing for the Clark County Child Welfare budget account.

Hearing Discussion and Post-Hearing Update/Information: During the budget hearing on March 19, 2025, the Subcommittee questioned how the determination was made to include additional funding for transportation costs for the Washoe County and Rural Child Welfare budget accounts and not in the Clark County Child Welfare budget account. The Division of Child and Family Services indicated funding was not included in the Clark County Child Welfare budget account due to the funding limits determined by the Governor's Finance Office.

As noted in the closing document for the Washoe County Child Welfare budget account, the Legislature has typically prescribed the same fiscal policy for each of the three child welfare budget accounts. The Governor's recommended budget includes funding in the Washoe County and Rural Child Welfare budget accounts for transportation costs, so if the Subcommittee wishes to recommend approval of the Governor's recommendation to include funding to support transportation costs in the other two child welfare budget accounts, the Subcommittee may also wish to recommend including funding for transportation in the Clark County Child Welfare budget account.

If the Subcommittee wishes to consider including additional transportation funding in the Clark County Child Welfare budget account, the Subcommittee could consider Clark County's request for $498,000 ($410,850 General Fund) each year of the 2025-27 Biennium to fund the agency's share of transportation costs for foster youth to attend their school of origin. According to the agency, with the passage of Assembly Bill 491 by the 79th (2017) Legislature, child welfare agencies and school districts must share the cost of transporting foster youth to their school of origin when a youth remains at his or her school of origin. Funding for transportation costs were not included in the bill. The agency reports that transportation costs are expected to be $96,000 per month during the ten-month school year and $18,000 per month during the two summer months, totaling $996,000, with the Clark County School District supporting $498,000 each year and the other $498,000 being provided by the state through a combination of Title IV-E reimbursements of $87,150 and General Fund appropriations of $410,850. The request for additional funding was included in the agency's requested budget; however, it was not included in the Governor's recommended budget for the 2025-27 Biennium.

Decision for the Subcommittee:
Does the Subcommittee wish to recommend approval of an additional $498,000 ($410,850 General Fund) in each year of the 2025-27 Biennium to support additional transportation for youth in foster care in Clark County, to align with actions taken by the Subcommittee to provide transportation for youth in the other child welfare budget accounts?

Other Closing Items

1. Appropriations Act Language (BUDGET OVERVIEW-34-35): The Governor recommends continuing to allow General Funds appropriated to this budget account to be available in both FY 2026 and FY 2027 within the same budget account, with the approval of the Interim Finance Committee upon recommendation of the Governor, consistent with language in the 2023 Appropriations Act (S.B. 511, Section 36).

2. Appropriations Act Language (BUDGET OVERVIEW-39): The Governor recommends limiting the amounts appropriated to this budget account for the purpose of providing respite and block grant allocations to child welfare agencies in counties whose population is 100,000 or more to the amounts included in the 2025 Appropriations Act, except for the adoption assistance programs established in NRS 432B.219, consistent with language in the 2023 Appropriations Act (S.B. 511, Section 66).

3. Authorizations Act Language: The 2023 Authorizations Act (S.B. 504, Section 17) allows Clark County to accept an additional amount of money from sources other than the General Fund and apply it to augment child welfare services. Fiscal staff recommends continuing this language in the 2025 Authorizations Act.

Fiscal staff recommends Other Closing Items 1 and 2 be closed as recommended by the Governor and the noted language in Other Closing Item 3 be included in the 2025 Authorizations Act. Fiscal staff requests authority to make technical adjustments, as necessary.

Additional Information – No Action Necessary

None

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026	FY 2027
			Gov Rec	Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

Title: DHS-DCFS - RURAL CHILD WELFARE **Budget Page:** DHS-DCFS-38, **Volume II**
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Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	12,120,836	12,757,681	5.25	14,397,975	12.86	14,856,287	3.18
FEDERAL FUND	8,724,262	8,977,301	2.90	10,948,186	21.95	11,322,563	3.42
OTHER FUND	2,993,882	3,192,076	6.62	3,521,531	10.32	3,580,167	1.67
INTERAGENCY TRANSFER	1,644,581	2,128,577	29.43	3,329,820	56.43	3,400,964	2.14
BALANCE FORWARD	232,670						
REVERSIONS	(26,112)						
Total Revenues	25,690,119	27,055,635	5.32	32,197,512	19.00	33,159,981	2.99
Total FTE		154.00		172.00		173.00	

Overview

The Rural Child Welfare budget account contains all positions and associated costs for rural child welfare responsibilities, including foster care placements, subsidized adoptions, and higher-level placements for the rural region. Pursuant to *Nevada Revised Statutes* (NRS) 432B.326, the Division of Child and Family Services (DCFS) assesses counties whose populations are less than 100,000 (currently all counties except Clark and Washoe) for the cost of performing child protective services in those counties. Historically, Clark and Washoe Counties have provided and funded the cost of child protective services in their jurisdictions. This budget account is primarily funded by federal Title IV-B and Title IV-E grants, county reimbursements, and General Fund appropriations.

Major Closing Issues

1. Caseload Adjustments
2. Implementation of the Extended Young Adult Support Services Program
3. Implementation of the Federal Family First Prevention Services Act Plan

Discussion of Major Closing Issues

1. Caseload Adjustments (M200, M201, M202, M204, & M206, DHS-DCFS-40-42)

Recommendation: The Governor recommends net funding of $830,270 (General Fund reductions of $92,186 and federal Title IV-E increases of $922,456) over the 2025-27 Biennium to fund projected caseload adjustments in adoption subsidies, family foster care, advanced foster care, specialized foster care, and kinship guardianship programs.

Summary of Issue: This issue has been identified to provide an opportunity for the Subcommittee to ask questions of the agency and review pertinent details of the recommended caseload adjustments; however, no significant issues related to the agency's caseload have been identified.

Details Provided During the Subcommittee Hearing: The following table details the actual caseload figures for FY 2024; projections for FY 2025, FY 2026, and FY 2027; and the associated total expenditure recommendation, according to caseload projections prepared by the agency in August 2024. For the 2025-27 Biennium, The Executive Budget adjusts projected caseloads in a two-step process. First, if the difference between the legislatively approved FY 2025 caseload and the FY 2025 projected caseload is negative, the M200 decision unit is used (**M200, DHS-DCFS-40**). Next, growth over the legislatively approved FY 2025 caseloads for each year of the 2025-27 Biennium is budgeted by caseload

(**M201 through M206, DHS-DCFS-40-42**). For clarity, the caseload changes from both steps are presented together in the following table to demonstrate the full cost of the caseload adjustments recommended for the 2025-27 Biennium:

Rural Child Welfare Governor's Recommended Caseload Adjustments for the 2025-27 Biennium										
Caseload Description	Decision Unit	FY 2024 Actual Caseload[1]	FY 2025 Projected Caseload	Governor Recommends						
				FY 2026			FY 2027			2025-27 Biennium Funding
				Funding	Projected Caseload	Prior Year Change	Funding	Projected Caseload	Prior Year Change	
Court Jurisdiction	M200	25.6	26.2	$(126,981)	26.3	0.6%	$ (126,981)	26.3	0.0%	$ (253,962)
Advanced Foster Care	M200	6.0	8.2	$(347,477)	8.2	0.0%	$ (347,477)	8.2	0.0%	$ (694,953)
Adoption Subsidies	M200 & M201	528.9	569.9	$ 998,095	590.1	3.5%	$1,163,835	608.8	3.2%	$ 2,161,929
Family Foster Care	M200 & M202	210.4	215.8	$(509,058)	217.5	0.8%	$ (509,014)	217.5	0.0%	$(1,018,072)
Specialized Foster Care	M204	5.7	8.6	$ 326,379	9.7	12.4%	$ 334,939	9.9	1.7%	$ 661,318
KinGAP Foster Care	M200 & M206	12.4	14.1	$ (13,004)	14.0	-0.2%	$ (12,987)	14.0	0.0%	$ (25,991)
			Funding Totals	**$ 327,954**			**$ 502,315**			**$ 830,269**
[1]FY 2024 Actual Caseload data includes actual caseloads for July 2023 through April 2024 and projected caseloads for May and June 2024.										

Hearing Discussion and Post Hearing Update/Information: As has been the practice in previous biennia, the agency submitted updates to caseload projections in April 2025 based on additional information that was not available when the Governor's recommended budget was transmitted to the Legislature, as shown in the following table:

Updated Rural Child Welfare Summary of Caseload Adjustments for the 2025-27 Biennium										
Caseload Description	Decision Unit	FY 2024 Actual Caseload	FY 2025 Projected Caseload	Caseload Summary						
				FY 2026			FY 2027			2025-27 Biennium Funding
				Funding	Projected Caseload	Prior Year Change	Funding	Projected Caseload	Prior Year Change	
Court Jurisdiction	M200 & M205[1]	24.4	23.6	$(126,981)	26.3	11.6%	$ (126,981)	26.3	0.0%	$ (253,962)
Advanced Foster Care	M200 & M203[1]	5.7	6.3	$(373,000)	6.7	6.5%	$ (356,964)	7.7	14.4%	$ (729,964)
Adoption Subsidies	M200 & M201	528.9	561.8	$ 887,356	578.8	3.0%	$1,052,475	596.9	3.1%	$ 1,939,831
Family Foster Care	M200 & M202	210.4	237.2	$(241,694)	246.7	4.0%	$ (170,755)	254.5	3.1%	$ (412,448)
Specialized Foster Care	M204	4.9	5.1	$ 220,889	7.7	50.8%	$ 223,262	7.8	0.6%	$ 444,151
KinGAP Foster Care	M200 & M206	12.3	14.8	$ (15,314)	14.0	-5.0%	$ (15,297)	14.0	0.0%	$ (30,611)
			Funding Totals	**$ 351,255**			**$ 605,741**			**$ 956,997**
[1]M203 and M205 decision units were not included in The Executive Budget and were added to reflect updated caseloads										

Net funding for all updated caseloads totals $956,997 ($75,051 General Fund) over the 2025-27 Biennium. The changes in the updated caseload projections vary in cases and funding each year relative to the caseloads in the Governor's recommended budget, resulting in a net increase of $126,727 ($167,237 General Fund increase) over the 2025-27 Biennium when compared to The Executive Budget.

The M203 and M205 decision units were not included in The Executive Budget. The decision units were added by Fiscal staff to reflect the caseload updates as submitted by the agency. The updated Court Jurisdiction and Advanced Foster Care caseloads reflect an increase in the 2025-27 Biennium, after adjusting the difference in the M200 decision unit, between the legislatively approved FY 2025 caseload and the reduced FY 2025 projected caseload.

As discussed in the closing document for the Washoe County Child Welfare budget account, the Legislature has typically prescribed the same fiscal policy for each of the three Child Welfare budget accounts regarding rates. If the Subcommittee recommended additional funding in the Washoe County Child Welfare budget account to support an increase in the non-recurring legal rate from $500 to $1,000 per case, then the Subcommittee may wish to recommend funding for the same rate increase in this budget account. At the projected caseloads of 59 in FY 2026 and 69 in FY 2027, an additional $64,000

($32,000 General Fund) would be needed to fund the per-case increase in the 2025-27 Biennium in the Rural Child Welfare budget account.

Decision for the Subcommittee:
Does the Subcommittee wish to recommend approval of updated adoption subsidy caseload increases, submitted by the agency in April 2025, totaling $956,997 ($75,051 General Fund) over the 2025-27 Biennium, which results in a net increase of $126,727 ($167,237 General Fund) when compared to the Governor's recommended budget?

AND

Does the Subcommittee wish to recommend approval of an additional $64,000 ($32,000 General Fund) over the 2025-27 Biennium to increase the non-recurring legal counsel fees from $500 to $1,000 per case in this budget account?

2. Implementation of the Extended Young Adult Support Services Program (E251, DHS-DCFS-43)

Recommendation: The Governor recommends $2.1 million ($418,738 General Fund) in the 2025-27 Biennium to support the Division of Child and Family Services' implementation of the Extended Young Adult Support Services Program.

Summary of Issue: Senate Bill 380 of the 82nd (2023) Legislative Session requires the Division of Child and Family Services to establish and administer, no later than July 1, 2025, the Extended Young Adult Support Services Program to provide extended support services to foster youth between the ages of 18 and 21. The Extended Young Adult Support Services Program leverages the federal Fostering Connections to Success and Increasing Adoptions Act of 2008 to allow the state to receive federal Title IV-E reimbursement for costs associated with providing support services for young adults who remain in foster care up to age 21. Similar decision units are recommended for both Washoe County and Clark County Child Welfare budget accounts.

Details Provided During the Subcommittee Hearing: A detailed discussion regarding the history of the Extended Young Adult Support Services Program is included in the closing document for the Washoe County Child Welfare budget account (BA 3141).

In order to implement the Extended Young Adult Support Services Program in the Rural Child Welfare budget account, the Governor recommends personnel costs of $1.0 million, caseload expenses of $638,918, and operating expenses of $453,252 over the 2025-27 Biennium, as detailed in the following sections:

Personnel Expenses
$1.0 million over the 2025-27 Biennium to add six new positions in FY 2026 and one additional position in FY 2027. The positions include:

- One new Social Services Program Specialist position (Grade 37) to provide statewide oversight, quality improvement, and collaboration for the Extended Young Adult Support Services Program.

- Two new Caseworker Management Specialist positions (Grades 35-37) in FY 2026 and one additional Caseworker Management Specialist position (Grade 35) in FY 2027 to provide case management, court representation, and ensure compliance with federal, state, and program regulations for foster youth aged 18 to 21, and oversee subsidy renewals for adopted or kinship guardianship youth aged 16 to 21. In order to support additional youth that would be eligible for extended support, all Nevada

child welfare agencies determined that one additional Caseworker position would be needed for every 25 cases the child welfare agencies would be required to manage. The position recommended to start in FY 2027 is a result of the caseload determination.

- Three new Administrative Assistant positions (Grade 29) to operate within the diligent search program to locate family, kin caregivers, and supports for older youth.

Caseload Expenses
$638,918 over the 2025-27 Biennium to support 30 cases projected in FY 2026 and 43 cases projected in FY 2027 at an average monthly rate of $971 per case.

Operating Expenses
- $300,000 over the 2025-27 Biennium to fund an independent living program, which the agency indicates would address the federal requirement to ensure youth in the program have access to adequate and affordable housing that would lead to becoming fully self-sufficient. The agency states that the funding would be used to provide two to three months of rental support for approximately 75 young adults and may include expenses such as security deposits, rental agreement fees, household necessities, and basic furnishings.

- $35,772 over the 2025-27 Biennium for travel and operating expenses related to the three new Casework Management Specialist positions that would provide required monthly home visits at the youths' residence as well as other travel to provide services for youth.

- $52,657 in FY 2026 for one-time purchases of furniture, computers, and associated equipment for the new positions.

Funding:
Based on the Governor's recommendation, the costs as described above would be supported by $2.1 million in funding over the 2025-27 Biennium, comprised of $418,738 in General Fund appropriations, $1.1 million in federal Title IV-E funding, and $652,822 in opioid settlement funds transferred from the Fund for a Resilient Nevada. The Fund for a Resilient Nevada budget account allocates settlement money received by the state from litigation concerning opioids, based on a needs assessment and statewide plan pursuant to NRS 433.734. The Division of Child and Family Services reports that in FY 2023, 63.0% of children entering foster care had a parental substance use-related removal reason, which has been increasing since 2019. According to the agency, the opioid crisis has caused a surge in the number of children entering the child welfare system.

Caseload:
Based on backup information provided by the agency, the population included in the caseload for the Extended Young Adult Support Services Program includes all youth in foster care who will be between the ages of 18 and 21 after July 1, 2025. However, the agency indicates that most youth leave foster care before they turn 18 and that the average foster care age-out rate is 5.5% based on data from FY 2019 through FY 2023. Accordingly, it is unclear why the agency is budgeting to support the full foster care population who would be between the ages of 18 through 21 after July 1, 2025, if it anticipates that a majority of this population would leave foster care before they turn 18. It appears the number of cases and related expenses in the Governor's recommendation for this population may be overstated as the count of youth in the caseload calculations may not accurately represent the number of youth the agency would actually support.

In addition, it also appears the agency's population projection does not include an estimated 15 youth in FY 2026 and 2 youth in FY 2027 who have already aged-out of foster care but would be eligible for the Extended Young Adult Support Services Program after the program goes into effect on July 1, 2025.

Lastly, as discussed in Major Closing Issue 1, the state's foster care maintenance payment rate is $30.07 per day (approximately $915 per month). According to the supporting calculations provided with the Governor's recommendation, the monthly foster care maintenance payment rate for the Extended Young Adult Support Services Program caseloads would be $971, which is $56 per month higher than the legislatively approved foster care maintenance payment rate of approximately $915 per month.

Hearing Discussion and Post-Hearing Update/Information: During the budget hearing on March 19, 2025, the process for developing the Governor's recommendations and the use of opioid settlements funds was discussed, which is included in the closing document for the Washoe County Child Welfare budget account.

Caseload and Funding Updates

Following the budget hearing, the agency provided updated caseload information, which was expanded to include youth who have already aged-out of foster care but would be eligible for the Extended Young Adult Support Services Program once the program goes into effect on July 1, 2025, which were not included in the caseload in the Governor's recommended budget. In addition, various rates included in the agency's original backup calculations were updated and now align with actions taken by the 82nd (2023) Legislature.

The agency projects it would support 66 eligible youth in FY 2026 and 63 eligible youth in FY 2027, which represents 100% of the eligible population. As noted previously, the Division of Child and Family Services indicates that most youth leave foster care before turning 18 and that the average foster care age-out rate is 5.5% based on data from FY 2019 through FY 2023. However, the agency stated it anticipates a larger number of youth to opt into the program, and notes that the court jurisdiction population currently has a 96.0% participation rate.

Based on the updated caseload and rate information, the agency reports the Rural Child Welfare budget account would be supported by $2.6 million in funding over the 2025-27 Biennium, comprised of $722,615 General Fund appropriations, $704,630 in federal Title IV-E authority, and $1.2 million in opioid settlement funds transferred from the Fund for a Resilient Nevada. The reported funding would result in a net increase of $468,781 ($303,877 General Fund) over the 2025-27 Biennium when compared to The Executive Budget. A summary of the updated information can be seen in the following table:

Rural Child Welfare
Extended Young Adult Support Services Program
2025-27 Biennium Summary as Updated

	FY 2026	FY 2027	2025-27 Biennium
Blended Caseload	66	63	129
Positions	3	3	3
General Fund	$ 224,413	$ 498,202	$ 722,615
Title IV-E	$ 333,514	$ 371,117	$ 704,630
Opioid	$ 673,239	$ 498,202	$ 1,171,442
Total	**$ 1,231,166**	**$ 1,367,521**	**$ 2,598,687**

As noted, Nevada child welfare agencies determined that one additional Caseworker position would be needed for every 25 cases the child welfare agencies would be required to manage. Based on the updated caseload projections, the number of youth who would be eligible under the Extended Young Adult Support Services Program would be 66 in FY 2026 and 63 in FY 2027. Due to the increased number of cases, the agency would need a total of 3 Caseworker positions in each year of the 2025-27 Biennium, as included in the table above, which is an increase of 1 additional Caseworker position in FY 2026 when compared to the Governor's recommendation.

As noted previously, the Division of Child and Family Services proposes including funding in each of the three Child Welfare budget accounts for 100% of the eligible youth population. It would appear reasonable that many youth who would become eligible would participate in the program; however, since the program would be initially implemented starting July 1, 2025, it is unclear whether the entire eligible youth population would be enrolled immediately upon the programs implementation.

Replacement of the Court Jurisdiction Program

Fiscal staff was notified on April 23, 2025, that the Extended Young Adult Support Services Program, if approved, would replace each child welfare agency's Court Jurisdiction Program. However, the Governor's recommended budget does not include funding reductions to represent the elimination of the Court Jurisdiction Program upon the approval of the Extended Young Adult Support Services Program. Fiscal staff sought additional information from each child welfare agency to identify the funding in each budget account that would support the Court Jurisdiction Program in the 2025-27 Biennium and the number of staff in each agency related to the program.

In response, the Division of Child and Family Services indicated that it outsources case management and no state staff support the Court Jurisdiction Program in the Rural Child Welfare budget account. In addition, the agency's budget, after adjusting for caseload updates, includes General Fund appropriations of $682,908 for the Court Jurisdiction Program over the 2025-27 Biennium. Since the Court Jurisdiction Program would be replaced by the Extended Young Adult Support Services Program, if approved, the Subcommittee may wish to recommend that Court Jurisdiction Program costs are removed from the Rural Child Welfare budget account.

Decisions for the Subcommittee:

Does the Subcommittee wish to recommend approval of $2.6 million ($722,615 General Fund) over the 2025-27 Biennium to support the implementation of the Extended Young Adult Support Services Program in the Rural Child Welfare budget account, inclusive of the caseload updates provided by the agency, which results in a net increase of $468,781 ($303,877 General Fund) over the 2025-27 Biennium when compared to the Governor's recommended budget?

OR

Does the Subcommittee wish to recommend approval of approximately $1.5 million ($417,547 General Fund) over the 2025-27 Biennium to support the implementation of the Extended Young Adult Support Services Program in the Rural Child Welfare budget account, but for the foster care caseload, to provide funding only for the estimated 5.5% of foster youth who have historically aged-out of foster care based on the data provided from FY 2019 through FY 2023, with a corresponding decrease in caseload-driven staff?

AND

Does the Subcommittee wish to recommend approval of a reduction in General Fund appropriations of $682,908 over the 2025-27 Biennium to remove funding supporting the Court Jurisdiction Program in the Rural Child Welfare budget account, since the Extended Young Adult Support Services Program would replace the Court Jurisdiction Program?

3. Implementation of the Federal Family First Prevention Services Act Plan (E252, DHS-DCFS-43-44)

Recommendation: The Governor recommends $2.7 million (inclusive of $1.4 million in opioid settlement funds) over the 2025-27 Biennium to implement Nevada's federally approved Family First Prevention Services Act plan.

Summary of Issue: The Family First Prevention Services Act is a federal program enacted under the Bipartisan Budget Act of 2018. The act is intended to prevent children from entering foster care by providing enhanced support to children and families through the provision of mental health and substance abuse prevention and treatment services, in-home parent skill-based programs, and kinship navigator services.

Details Provided During the Subcommittee Hearing: On October 4, 2023, the DCFS was notified that the Children's Bureau of the federal Administration for Children and Families had approved Nevada's Family First Prevention Services Act plan, which allows the state to access federal Title IV-E funds for a variety of eligible services aimed at keeping families together and preventing children from entering the foster care system. Prior to the Family First Prevention Services Act, Title IV-E funds could only be used to reimburse a state child welfare agency for foster-care-related staff and training, and to provide financial support to families fostering a child.

According to information provided in the agency's federally approved plan, 2,681 children in Nevada were removed from their homes in FY 2022 for various factors, including neglect, parental drug/alcohol use or abuse, and domestic violence. The agency indicates children in this population, who are in voluntary jurisdiction of the court, could become eligible for Family First Prevention Services Act services and programs as they are at an imminent risk of entering foster care but could remain safely at home or in a kinship placement with the receipt of Family First Prevention Services Act services or programs. Additionally, the agency's approved plan would include youth who are at-risk for placement disruption and have a caseworker, or youth and young adults up to the age of 18, who have previously been in foster care and are pregnant and/or parenting.

One component of the state's plan includes monitoring the safety and risk of all children and families who receive Family First Prevention Services Act services. Monthly in-person monitoring would be conducted by an agency caseworker or community provider. Additionally, the plan indicates that all children will be screened for safety every 90 days throughout a 12-month period. In order to meet these requirements, the Governor recommends five new Casework Management Specialist positions (Grade 35) and associated costs. According to the agency, one Casework Management Specialist position would be located at each district office (Carson City, Pahrump, Elko, Fallon, and Fernley) to serve and case manage all counties covered by that office.

In addition, the Governor recommends $850,288 for ongoing training and evaluation tools related to Nevada's safety model. According to the agency, the evaluation tools would include 600 licenses for Carahsoft-Lyssn, which is an artificial intelligence (AI)-powered platform designed to support health and human services organizations in areas of training, quality improvement, and assessments, particularly in areas such as motivational interviewing. The agency states that 420 of the licenses would be utilized by Clark County, 120 by Washoe County, and 60 by Rural Child Welfare. The agency states that additional ongoing training on Nevada's safety model (Safety Assessment and Family Evaluation [SAFE]) would be provided by Action for Child Protection Inc., which the agency indicates is the founder and creator of the model used in Nevada. The training would improve supervisor and specialist competency in the SAFE model.

The Governor's recommendation also includes the addition of seven new Transportation Technician positions (Grade 27). According to the agency, the positions would support the implementation of Family First Prevention Services Act services by transporting clients to essential appointments, court proceedings, and reunification efforts. The agency reports that lack of transportation has been identified as a barrier in following case plans, accessing mental health and substance abuse services, and reunification efforts. The agency indicates that rural areas with limited public transportation would benefit from these services, as the availability of transportation technicians would help overcome the lack of existing transportation options. According to the agency, the positions would be located in Pahrump, Elko, Ely, Winnemucca, Carson City, Fernley, and Fallon. The agency states that it is required to provide resources and services to families that lead to reunification in order to comply with the Family First Prevention Services Act.

Based on the Governor's recommendation, the costs discussed above would be supported by $2.7 million in funding over the 2025-27 Biennium, comprised of $1.4 million in federal Title IV-E authority and $1.4 million in opioid settlement funds transferred from the Fund for a Resilient Nevada. The Fund for a Resilient Nevada budget account allocates settlement money received by the state from litigation concerning opioids, based on a needs assessment and statewide plan pursuant to NRS 433.734. The agency indicates this initiative aligns with the opioid settlement priority areas for building capacity, preventing the misuse of opioids, and reducing harm related to opioid use.

Hearing Discussion and Post-Hearing Update/Information: Following the budget hearing on March 19, 2025, the agency stated that the seven new transportation technician positions are not a requirement to comply with the Family First Prevention Services Act, but would allow the agency to transport children and families to services in rural districts at a lower cost than utilizing caseworker positions to provide transportation services. Additionally, the agency indicates this would provide more time for caseworker positions to work with families.

Additionally, the Subcommittee expressed concerns about how it was determined that the use of opioid settlement funds would be allowable and appropriate for the implementation of the Family First Prevention Services Act plan. The agency indicated that the population that would be served by this program is exposed to identical substance abuse issues that the Medical Epidemiologist identified in the Extended Young Adult Support Services Program. During that testimony, the Medical Epidemiologist testified that 63% of children statewide who entered the foster care system in 2023 were removed from their families for reasons that included parental substance misuse. The Medical Epidemiologist indicated that 50% to 80% of abused and neglected children involved in the child welfare system had a parent with a significant substance abuse problem, and cited a study that indicates the risk for child maltreatment is similar compared to mothers who use opioids versus other substances. The Medical Epidemiologist noted there has been a 22% increase in children being removed for parental substance misuse since 2019, and children removed for that reason tended to stay in the child welfare system longer and were less likely to have a family reunification due to the challenges parents faced in overcoming substance abuse. Therefore, the agency indicated the use of opioid funds for this program would be appropriate.

Decision for the Subcommittee:
Does the Subcommittee wish to recommend approval of the Governor's recommendation to implement the Family First Prevention Services Act plan, funded with $2.7 million (opioid settlement funds of $1.4 million and federal Title IV-E Prevention funds of $1.4 million) over the 2025-27 Biennium?

Other Closing Items

Other Closing Items	Category	Description of Decision Unit	FY 2026 General Fund	FY 2026 Federal Fund	FY 2026 Other Funds	FY 2027 General Fund	FY 2027 Federal Fund	FY 2027 Other Funds
1	CHANGE IN FUNDING	Additional federal Title IV-E Prevention Plan funds for reimbursement of eligible expenses (E300, DHS-DCFS-46).	$(25,000)	$ 25,000	$ -	$(25,000)	$ 25,000	$ -
2	FACILITIES	Relocation of the Child Welfare Fernley office (E253, DHS-DCFS-44).	$ 69,011	$ 64,471	$ 32,703	$ 50,181	$ 13,848	$ 29,743
3		Storage facility expenses in Fallon (E257, DHS-DCFS-44-45).	$ 496	$ 140	$ 299	$ 500	$ 138	$ 297
4	FOSTER HOME RECRUITMENT	Foster care recruitment activities (E258, DHS-DCFS-45).	$ 7,264	$ 1,198	$ 867	$ 7,284	$ 1,198	$ 847
5	EQUIPMENT	Additional phone and voice mail extensions (E259, DHS-DCFS-45-46).	$ 5,482	$ 1,553	$ 3,301	$ 5,531	$ 1,526	$ 3,279
6	COST OF CARE ELIMINATION	Elimination of the state deduction for the cost of care transferred from the Child Welfare Trust Account (BA 3242), replaced with General Fund appropriations and Federal Title IV-E authorizations in this budget account (E260, DHS-DCFS-46).	$ 73,836	$ 23,317	$(97,153)	$ 73,836	$ 23,317	$(97,153)

7. Appropriations Act Language (BUDGET OVERVIEW-34-35): The Governor recommends continuing to allow General Funds appropriated to this budget account to be available in both FY 2026 and FY 2027 within the same budget account, with the approval of the Interim Finance Committee upon recommendation of the Governor, consistent with language in the 2023 Appropriations Act (S.B. 511, Section 36).

Fiscal staff recommends Other Closing Items 1 through 7 be closed as recommended by the Governor. Fiscal staff requests authority to make technical adjustments as necessary.

Additional Information – No Action Necessary

Supplemental Appropriations (BUDGET OVERVIEW-33): The Governor recommends General Fund appropriations of $413,325 to fund projected shortfalls in the Personnel, In-State Travel, Transportation, and Utilities categories in FY 2025.

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026	FY 2027
			Gov Rec	Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

https://nvlcb.sharepoint.com/sites/LCBFiscal/Current_Docs/Subcommittee Closings/3229cls_DM_mg.docx

Title: DHS-DCFS - CALIENTE YOUTH CENTER **Budget Page:** DHS-DCFS-85, **Volume II**
Account: 101 - 3179

Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	8,639,856	9,710,204	12.39	10,462,796	7.75	10,514,124	0.49
INTERAGENCY TRANSFER	424,064	364,638	(14.01)	271,502	(25.54)	271,502	
BALANCE FORWARD	302,039	220,262	(27.07)				
REVERSIONS	(1,194,117)						
Total Revenues	8,171,842	10,295,104	25.98	10,734,298	4.27	10,785,626	0.48
Total FTE		85.00		85.00		85.00	

Overview

Fiscal staff is responsible for developing recommendations for this budget account. The Subcommittee has not previously reviewed this budget account.

The Caliente Youth Center is a staff secure residential juvenile correctional facility budgeted by the 82nd (2023) Legislature for 80 beds for male and female youth between the ages of 12 and 20, located 150 miles north of Las Vegas in Caliente, Nevada. The Caliente Youth Center offers behavioral programs to address delinquent youth who also may have been victims of abuse, abandonment, or neglect. Academic services are provided through a contract with the Lincoln County School District and include an array of career and technical education opportunities. Funding for the Caliente Youth Center is provided primarily through General Fund appropriations, a Title 1-D transfer from the Nevada Department of Education to support neglected youth in state-run institutions for juveniles, and transfers from the State Department of Agriculture for the federal School Breakfast and School Lunch programs. The facility census as of February 6, 2025, is 51 youth: 37 males and 14 females.

Major Closing Issues

None

Other Closing Items

Other Closing Items	Category	Description of Decision Unit	FY 2026 General Fund	FY 2027 General Fund
1	AGENCY SPECIFIC INFLATION	Agency-specific inflation for medical services, medical supplies, pharmacy, and food. (M101, DHS-DCFS-86-87)	$ 13,679	$ 14,217
2	EQUIPMENT REPLACEMENT	Replacement furniture. (E711, DHS-DCFS-88)	$ 28,512	$ 5,583
3		Replacement support equipment. (E716, DHS-DCFS-88-89)	$ 157,776	$ -
4	CONTRACT STAFF	Additional funding to support temporary contract staff. (E250, DHS-DCFS-87)	$ 3,114	$ 4,075
5	YOUTH DRIVEN EXPENSES	Additional funding to support youth supplies, food, and services based on 3-year averages. (E251, DHS-DCFS-88)	$ 106,386	$ 107,715

Closing recommendations for this budget account are included on the summary page in the closing packet.

Additional Information – No Action Necessary

Appropriations Act Language (BUDGET OVERVIEW-37): The Governor recommends continuing to allow General Funds appropriated to the three juvenile justice facility budget accounts (Summit View Youth Center, Caliente Youth Center, and the Nevada Youth Training Center) to be available to be transferred between the three budget accounts over the 2025-27 Biennium, with the approval of the Interim Finance Committee upon recommendation of the Governor, consistent with language in the 2023 Appropriations Act (Senate Bill 511, Section 54). The decision for the Subcommittee regarding this language is included in the Summit View Youth Center closing document.

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026	FY 2027
			Gov Rec	Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

Title: DHS-DCFS - NEVADA YOUTH TRAINING CENTER **Budget Page:** DHS-DCFS-91, **Volume II**

Account: 101 - 3259

Revenues	FY 2024 Actual	FY 2025 WP	% Chg	FY 2026 GOV REC	% Chg	FY 2027 GOV REC	% Chg
GENERAL FUND	9,228,450	9,545,090	3.43	10,669,370	11.78	10,771,452	0.96
OTHER FUND	16,068	38,884	142.00	24,704	(36.47)	24,704	
INTERAGENCY TRANSFER	380,797	515,042	35.25	330,176	(35.89)	330,176	
BALANCE FORWARD	554,459	512,894	(7.50)				
REVERSIONS	(836,552)						
Total Revenues	9,343,222	10,611,910	13.58	11,024,250	3.89	11,126,332	0.93
Total FTE		93.00		93.00		93.00	

Overview

Fiscal staff is responsible for developing closing recommendations for this budget account. The Subcommittee has not previously reviewed this budget account.

The Nevada Youth Training Center (NYTC) is a staff secure residential juvenile correctional facility budgeted by the 82nd (2023) Legislature for 64 beds for male youth between 12 and 20 years of age, located in Elko, Nevada. The NYTC operates Independence High School, which offers required and elective academic subjects, remedial programs, special education, interscholastic sports programs, and vocational education. The NYTC also provides counseling and treatment programs for anger management, substance abuse, problem solving, and life-skills development. Funding for the NYTC is provided primarily through General Fund appropriations, as well as transfers from the Nevada Department of Education for educational grants and transfers from the State Department of Agriculture for the federal School Breakfast and School Lunch programs. The facility census as of February 6, 2025, is 43 male youth.

Major Closing Issues

None

Other Closing Items

Other Closing Items	Category	Description of Decision Unit	FY 2026 General Fund	FY 2027 General Fund
1	AGENCY SPECIFIC INFLATION	Agency-specific inflation for medical services, medical supplies, pharmacy, and food. (M101, DHS-DCFS-93)	$ 19,767	$ 40,681
2	EQUIPMENT REPLACEMENT	Replacement furniture. (E711, DHS-DCFS-94)	$ 66,441	$ -
3	YOUTH TRANSPORT	Per Diem for staff to transport committed youth to various locations around the state. (E251, DHS-DCFS-93-94)	$ 11,616	$ 11,616
4	YOUTH DRIVEN EXPENSES	Additional funding to support youth supplies, food, and services. (E252, DHS-DCFS-94)	$ 183,123	$ 183,483

Closing recommendations for this budget account are included on the summary page in the closing packet.

Additional Information – No Action Necessary

Appropriations Act Language (BUDGET OVERVIEW-37): The Governor recommends continuing to allow General Funds appropriated to the three juvenile justice facility budget accounts (Summit View Youth Center, Caliente Youth Center, and the Nevada Youth Training Center) to be available to be transferred between the three budget accounts over the 2025-27 Biennium, with the approval of the Interim Finance Committee upon recommendation of the Governor, consistent with language in the 2023 Appropriations Act (Senate Bill 511, Section 54). The decision for the Subcommittee regarding this language is included in the Summit View Youth Center closing document.

Adjustments to Revenue & Expenditures

Cat	Description	Reason for Adjustment	FY 2026	FY 2027
			Gov Rec	Gov Rec
Sub-total Revenues			0	0
Sub-total Expenditures			0	0
Total Revenue Adjustments			0	0
Total Expenditure Adjustments			0	0
Total Change in FTE			0.00	0.00
Grand Total General Fund Impact of Closing Changes			0	0
Grand Total Highway Fund Impact of Closing Changes			0	0

Summary

As previously noted, Fiscal staff is responsible for developing closing recommendations for the following budget accounts. To assist with the closing, Fiscal staff has identified the budget accounts that are recommended to be closed as recommended by the Governor.

Fiscal staff recommends the following budget accounts be closed as recommended by the Governor and requests authority for staff to make technical adjustments as necessary:

- **101 – 3179: DHS – DCFS – Caliente Youth Center;**
- **101 – 3259: DHS – DCFS – Nevada Youth Training Center.**