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STATE OF NEVADA  
2004-2005 BIENNIAL BUDGET REQUEST  
DEPARTMENT OF HUMAN RESOURCES  
DIVISION OF CHILD AND FAMILY SERVICES

CHILD WELFARE INTEGRATION  
FUTURE FUNDING PLAN

ABI/HISTORY

Assembly Bill 1 of the 17<sup>th</sup> Special Session was passed unanimously and signed into law by Governor Guinn. Many reasons existed why this legislation was and still is important, including; under a bifurcated (county/state) system permanency plans for children may be unnecessarily delayed, children change case managers when transferring from the county to the state, children often changed foster homes, interrupted services and duplication of efforts.

AB1 also noted many fiscal issues to be considered in developing the plan for integration and future funding, including the following:

- © Disparities in the rates of reimbursement for providers of foster care. It noted rates for foster care reimbursement should be established at a level that enables a provider of foster care to care for a child adequately and that rates should be standardized within each county.
- © Disparities in the compensation paid to employees of the counties and the state. Fairness to employees affected by the integration plan was a priority.
- © Recognition that the state and counties have shared in the fiscal responsibility for the costs of providing child welfare services historically and that each must be committed to ensuring maintenance of their efforts in providing future services and equitably sharing future costs.
- © Recognition that to ensure an equitable funding formula in the future, "base" amounts of funding must be built on full fiscal year experience.
- © The system is adequately funded and structured to avoid unnecessary interruptions in placement and will ensure that permanency is achieved for children.

Section 132 of AB1 requires DCFS/DHR in consultation with each county to develop a plan for funding the Child Welfare system and address the fiscal responsibility of the state and each county for any increases in costs. The funding plan was to be submitted to the Legislative Committee on Children, Youth and Families on/before September 15, 2002.

ASSEMBLY WAYS AND MEANS

DATE: 3/31/03 ROOM: 3137 EXHIBIT D

SUBMITTED BY: MICHAEL WILCOEN

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The Legislative Committee on Children, Youth and Families was authorized to revise the plan submitted by DCFS and submit it to the Governor and the Interim Finance Committee on/before November 15, 2002.

**WHAT WAS THE PLAN?**

System bifurcation would be eliminated by transferring the responsibility for "back-end services," including foster care, adoption, and other related services from the state to the counties. Washoe and Clark County would retain their current responsibility for all "front-end services," including child abuse and neglect investigations, emergency shelter care and short-term foster care. The cost for higher levels of care would remain the states responsibility.

To address the fiscal responsibility (share of cost) it was recommended there be a "swap" of costs between the state and the two counties under which the state would assume responsibility for the costs of the Medicaid County Match/Long-Term Care program and the two counties would assume responsibility for all "back-end" child welfare costs relating to salaries, benefits and operating. It was determined this was a near-equal trade in FY 04 dollars.

The remaining "back-end" costs (primarily placement costs) would be shared based on a formula that considers the relative share of costs borne by the counties and state after the "swap" is taken into account. The two counties would be on different schedules for assuming shared costs because the transfer has been implemented in Washoe County, but delayed in Clark County.

**THE EXECUTIVE BUDGET FOR THE 2003-2005 BIENNIIUM**

The Executive Budget for the 2003-2005 biennium does not utilize the funding plan suggested by the interim work group. The "swap" of Long-Term Care costs for certain back-end services (salaries, benefits and operating) was determined to be too risky with regard to future years growth.

Also, because of the current revenue shortfalls in state government and delays in the ability to move forward on integration plans in Clark County, it has been difficult to project future year costs.

The Executive Budget includes:

- © Funding to maintain integration in Washoe County and to phase in the integration plan in Clark County. The transfer would be completed in October 2004.

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- © Foster care rates funded at the \$21/day rate for all entities.
- © Staffing ratios at 1:28 cases for all entities.
- © Equal treatment for everyone – no cost of living adjustments, no CPI's, no budgeted overtime/callback pay, no enhancements for respite, adoption recruitment or foster care liability, etc.
- © Appropriate rental cost adjustment for early co-location in Clark County.

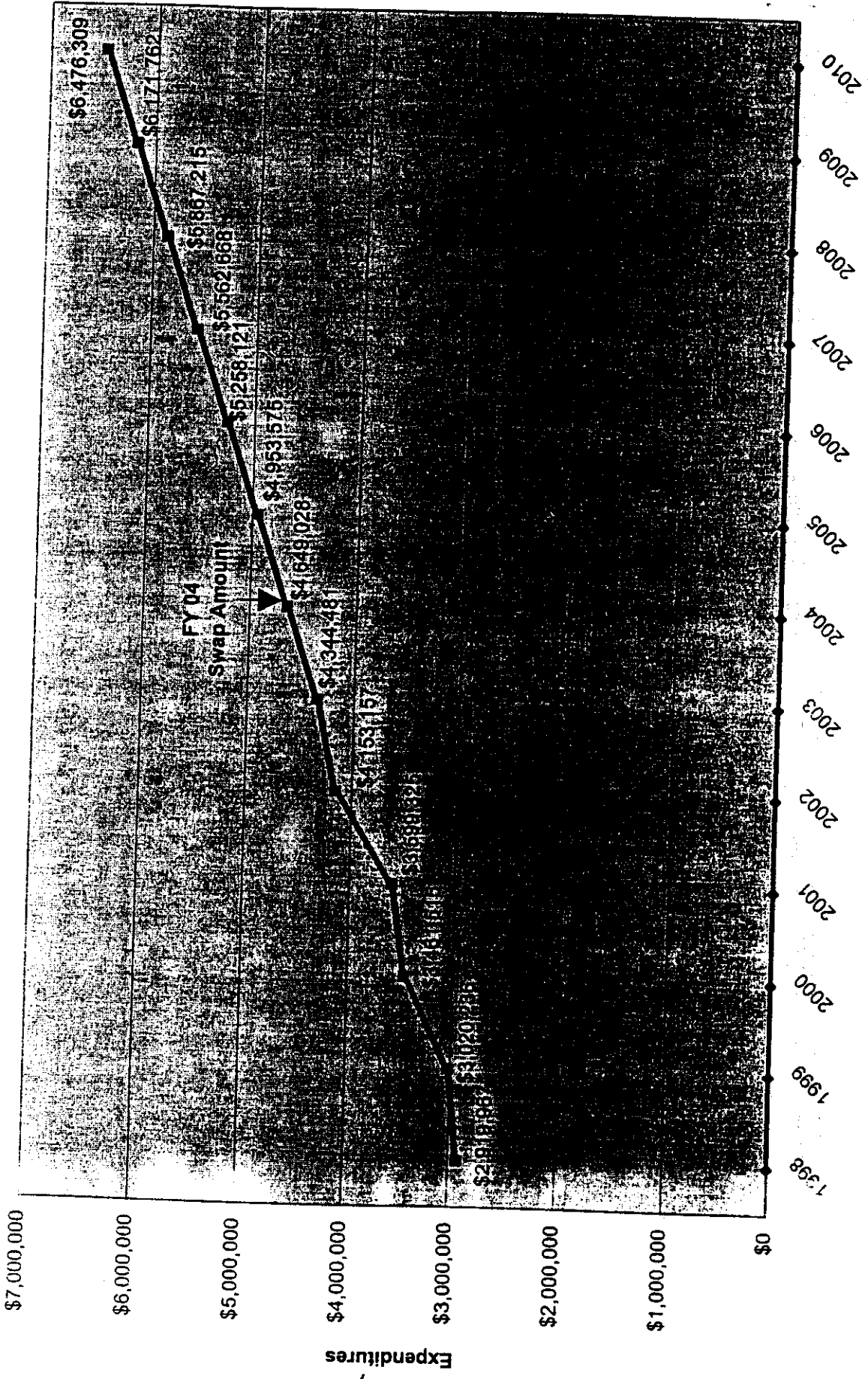
**FUTURE FUNDING AFTER THE 2003-2005 BIENNIUM**

Recognizing that if integration did not occur, the state would maintain responsibility to fund an adequate child welfare system, Governor Guinn is committed to the following principles when developing future year integration budgets:

- © Caseload staffing ratios that are equitable between entities providing child welfare services (1:28 ratios).
- © Foster care rates that are not disparate between entities (\$21/day) and if future legislatures approve rate increases the non-federal share of the increase should be passed-through to the counties. If counties increase the foster care rates or choose to pay rates higher than the state, they should be responsible for the non-federal share of the increased costs.
- © Passing through the non-federal share of legislative approved COLA's (salaries/benefits) and CPI's (operating costs) to the counties in future years. Again, if the counties budget/approve higher COLA's or CPI's than the legislature approves, only the state approved non-federal share would be passed through.
- © Funding reasonable caseload growth and staffing based on state approved projection methodology.
- © Working with the counties to transfer higher levels of care to the counties in future years and in the mean time to provide some incentive to the counties to help the state reduce the cost of higher levels of care.
- © Determining if a "fixed funding formula" can be agreed to in a future legislative session after each county has at least a full year of integration experience.

Prepared By: Diane Hassir  
 Date: 9/11/02

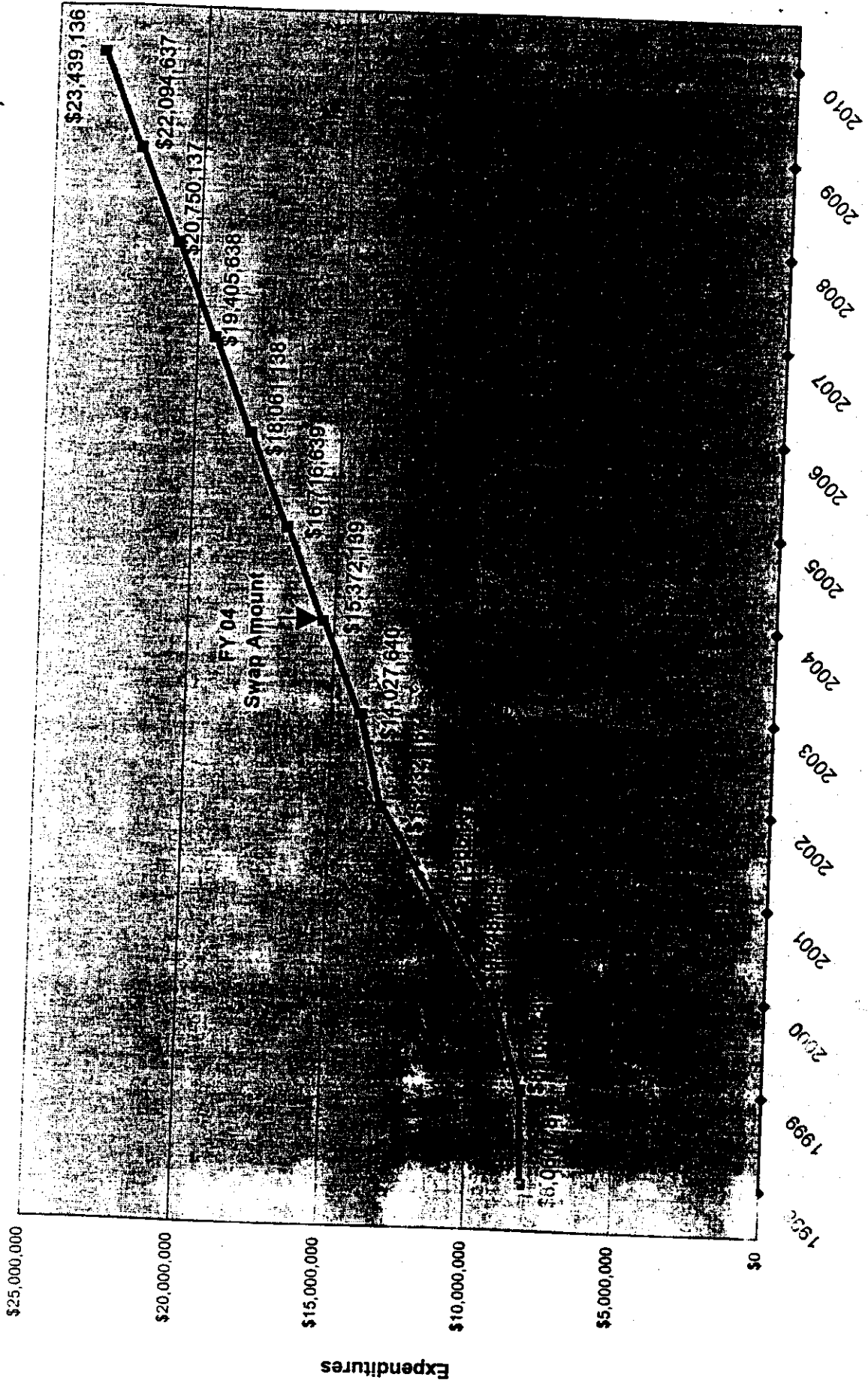
Washoe-County Match: Projected Medicaid Costs, SYF1998-SFY2010 (Actuals 1998-2002)



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Prepared By: Diane Nassir  
Date: 9/11/02

### Clark-County Match: Projected Medicaid Costs, SYF1998-SFY2010 (Actuals 1998-2002)



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**2004-2005 BIENNIAL BUDGET REQUEST**  
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**DIVISION OF CHILD AND FAMILY SERVICES**

**COST OF INTEGRATION - WASHOE COUNTY**

A	B	C	D	E	F	G
	FY04 DCFS	FY04 Washoe County	GAP	FY05 DCFS	FY05 Washoe County	GAP
4	10,058,814	11,275,720	1,216,906	10,885,972	12,228,747	1,342,775
<b>TOTAL EXPENSES</b>						
6	3,780,907	4,092,282	341,345	3,883,489	4,354,218	460,719
<b>SALARIES/BENEFITS</b>						
7	3,516,708	3,832,059	315,391	3,635,911	4,076,962	441,051
8	234,199	260,154	26,955	257,588	277,256	19,668
<b>OPERATING</b>						
9	424,840	646,952	222,312	431,821	657,722	225,901
10	66,501	66,501	-	66,501	66,501	-
11	289,830	289,830	-	307,011	307,011	-
12						
13	14,542	14,542	-	14,542	14,542	-
14	3,380	3,380	-	3,380	3,380	-
15	5,050	5,050	-	5,050	5,050	-
16	26,400	26,400	-	26,400	26,400	-
17	8,937	8,937	-	8,937	8,937	-
18						
19	22,207	222,312	222,312	21,301	225,901	225,901
<b>INDIRECT COSTS</b>						
20	5,415,887	677,456	655,249	6,095,888	677,456	656,199
<b>PURCHASE PLACEMENT COSTS</b>						
21	414,400	414,400	-	414,400	414,400	-
22	2,288,193	2,288,193	-	2,288,357	2,288,357	-
23	2,732,104	2,732,104	-	3,383,231	3,383,231	-
24	124,182	124,182	-	124,182	124,182	-
25	21,817	21,817	-	21,817	21,817	-
26	40,440	40,440	-	40,440	40,440	-
27	22,000	22,000	-	22,000	22,000	-
28	9,895	9,895	-	9,895	9,895	-
29	30,000	30,000	-	30,000	30,000	-
30	319,211	319,211	-	319,211	319,211	-
31	300,000	300,000	-	300,000	300,000	-
32	19,211	19,211	-	19,211	19,211	-
33						
34						
<b>Funding</b>						
35	5,665,571	7,211,577	1,546,006	6,152,987	7,804,967	1,651,980
36	4,226,034	3,899,487	(326,546)	4,564,127	4,254,216	(309,911)
37	165,208	164,667	(551)	188,858	189,564	706
38	10,058,814	11,275,720	1,216,906	10,885,972	12,228,747	1,342,775
<b>Total Funding</b>						

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**STATE OF NEVADA**  
**2004-2005 BIENNIAL BUDGET REQUEST**  
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**COST OF INTEGRATION - CLARK**

A	B	C	D	E	F	G
	FY04 Annualized - DCFS	FY04 Annualized - Clark County	GAP	FY05 Annualized - DCFS	FY05 Annualized - Clark County	GAP
1						
2						
3						
4	<b>TOTAL EXPENSES</b>	27,920,231	5,337,758	30,483,294	33,633,329	3,150,035
5						
6	<b>SALARIES/BENEFITS</b>	10,014,638	1,875,295	10,436,190	11,713,867	1,277,476
7	Salaries	9,980,966	1,015,007	10,398,646	11,713,867	1,315,020
8	Longevity	33,672	(33,672)	37,544	-	(37,544)
9	COBRA/Sick/Annual Leave	-	894,960	-	-	-
10	<b>OPERATING</b>	1,616,826	2,428,638	1,628,961	2,368,227	739,366
11	Travel	205,098	205,098	205,098	205,098	-
12	Operating Expenses	546,236	546,236	546,236	546,236	-
13	Rental	668,811	668,811	670,845	670,845	-
14	Specialized Training	3,673	3,673	3,673	3,673	-
15	Background Investigations	27,977	27,977	27,977	27,977	-
16	Equipment/Information Systems	172,786	1,869,773	172,786	172,786	-
17	Training	2,246	2,246	2,246	2,246	-
18	Legal Counsel to Agency	-	699,670	-	739,366	739,366
19	<b>CLARK COUNTY INDIRECT COST</b>	122,882	1,157,968	172,912	1,306,104	1,133,192
20	<b>PURCHASE PLACEMENT COSTS</b>	15,485,477	15,485,477	17,574,932	17,574,932	-
21	Emergency Shelter	1,507,678	1,507,678	1,507,678	1,507,678	-
22	Substitute Foster Care	6,435,908	6,435,908	6,656,441	6,656,441	-
23	Adoption Services	7,551,891	7,551,891	9,410,813	9,410,813	-
24	<b>OTHER PLACEMENT</b>	296,439	296,439	296,439	296,439	-
25	Family Preservation Services	116,183	116,183	116,183	116,183	-
26	Transportation (Client Travel)	79,438	79,438	79,438	79,438	-
27	Independent Living	31,508	31,508	31,508	31,508	-
28	Respite Care	19,310	19,310	19,310	19,310	-
29	Drug Testing	50,000	50,000	50,000	50,000	-
30	<b>OTHER</b>	373,990	373,990	373,990	373,990	-
31	Placement Prevention	311,431	311,431	311,431	311,431	-
32	Adoption/Foster care recruitment	62,529	62,529	62,529	62,529	-
33	Foster Care Liability	-	-	-	-	-
34	<b>Funding</b>					
35	General Funds	14,982,916	20,670,525	16,446,247	20,362,325	3,916,078
36	Federal Funds	12,316,314	11,754,794	(561,520)	12,374,583	(1,007,024)
37	Grants/Other	611,001	832,670	221,669	896,420	240,980
38	<b>Total Funding</b>	27,920,231	33,257,990	30,483,294	33,633,329	3,150,035

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