

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

**Eighty-Second Session
February 23, 2023**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on Human Services was called to order by Chair Michelle Gorelow at 8:06 a.m. on Thursday, February 23, 2023, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda [[Exhibit A](#)], the Attendance Roster [[Exhibit B](#)], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/82nd2023.

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Michelle Gorelow, Chair
Assemblywoman Daniele Monroe-Moreno, Vice Chair
Assemblywoman Natha C. Anderson
Assemblywoman Jill Dickman
Assemblyman Gregory T. Hafen II
Assemblywoman Sandra Jauregui
Assemblyman Howard Watts
Assemblyman Steve Yeager

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Rochelle T. Nguyen, Chair
Senator Nicole J. Cannizzaro, Vice Chair
Senator Marilyn Dondero Loop
Senator Heidi Seevers Gansert
Senator Robin L. Titus

SUBCOMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Cathy Crocket, Senate Chief Principal Deputy Fiscal Analyst
Karen Hoppe, Assembly Principal Deputy Fiscal Analyst
Chris English, Program Analyst
Anne Bowen, Committee Secretary
Janet Osalvo, Committee Assistant

OTHERS PRESENT:

Cindy Pitlock, Administrator, Division of Child and Family Services, Department of Health and Human Services
Melanie Young, Deputy Administrator, Division of Child and Family Services, Department of Health and Human Services
Amber Howell, Director, Washoe County Human Services Agency
Jill Marano, Director, Clark County Department of Family Services
John Bradtke, Deputy Administrator, Division of Child and Family Services, Department of Health and Human Services

Chair Gorelow:

[Meeting was called to order. Roll was called. Subcommittees rules and protocol were explained.]

Today we are going to have presentations from the Department of Health and Human Services, Division of Child and Family Services.

**HEALTH AND HUMAN SERVICES
CHILD AND FAMILY SERVICES
HHS-DCFS - CHILDREN, YOUTH & FAMILY ADMINISTRATION (101-3145)
BUDGET PAGE DHHS-DCFS-7**

Cindy Pitlock, Administrator, Division of Child and Family Services, Department of Health and Human Services:

We will go to page 4 of our presentation [[Exhibit C](#)] which is our funding pie chart. This page shows our funding sources with the majority of our funding being federal and State General Funds. Federal funding includes Title IV-E of the Social Security Act that supports our child welfare services, and federal Victims of Crime Act funding which includes the assistance grant. Other funding includes county assessments whereby counties contribute to services offered in their county and, of course, Medicaid billing and reimbursement for direct patient care that we provide. The budget that we are presenting today represents an 18.9 percent increase in resources for youth and families.

Page 5 [\[Exhibit C\]](#) demonstrates all our budget accounts and the funding provided per budget. The ones highlighted in green are the ones we will be discussing today. You will see us again on March 21, 2023, for our mental health budgets.

First, we will be discussing budget account 3145, which is our main administrative budget account. This account records revenues and expenditures associated with the administration of the Division, Grants Management Unit, Family Programs, the Programs Evaluation Unit, and Victims of Crime program staffing. This budget has grown exponentially, complicating budgeting and oversight requirements. For example, in fiscal year (FY) 2018, the administrative budget account recorded 17 separate revenue sources and 25 expenditure categories. In FY 2023, we have over 32 separate revenue sources and 58 expenditure categories. We are proposing to transfer authority to two new budget accounts: budget account 3146, Family Support Program, and budget account 4894, Victims Services. This will allow for greater transparency and program accountability.

Decision unit enhancement (E) 305 cost allocates expenditures for the Grants Management staff that are associated with the program oversight of subgrant awards for Victims of Domestic Violence grantees to be funded by marriage license fees. Currently, these costs are funded with General Funds. Using marriage license fees will create a General Fund savings.

Next, in decision unit E-372 the Governor recommends one additional family services specialist to assist with the current eligibility caseload as well as the anticipated increased caseload for court jurisdiction, extended foster care, and the Kinship Guardianship Assistance Payment (Kin-GAP) program for young adults until age 21.

Decision unit E-491, on page 8, proposes to eliminate eight administrative positions related to the Children's Behavioral Health Initiative that were funded at the August meeting of the Interim Finance Committee. These proposed positions are funded by the American Rescue Plan Act (ARPA) through June 30, 2024. The Division has been faced with difficulties in the classification, establishment, and recruiting for these positions. We are currently utilizing existing staffing resources and overtime. We are also working to hire contract staff to address the ARPA mental health initiatives that we are implementing. These specific eight positions were to assist with the workload of human resources, fiscal services, grants management and oversight, purchasing, and administrative support. We are currently working on a possible budget amendment, but nothing has been finalized.

Decision units E-901, E-905, and E-906 move funding and staffing into other budget accounts to better align the program with administrative program oversight. The intention of these transfers is to increase transparency and efficiency of the management of funding and expenditures.

Assemblyman Watts:

Going back to decision unit E-372 and the new family services specialist position, could you talk about the impact that the current staffing levels have on conducting eligibility determinations?

**Melanie Young, Deputy Administrator, Division of Child and Family Services,
Department of Health and Human Services:**

We went back to 2019, 2020, and 2021 and looked at staffing ratios. On average, each employee administered Title IV-E eligibility for about 400 youth. That unit has one supervisor and four employees. Since then, the number of youths who have come into the Division who require the eligibility determination has increased. What is important to know about that eligibility determination is that it determines our Title IV-E funding, and it is critical that we do these in a timely manner. That caseload has increased, and we actually need more than one new employee to cover the workload. This recommendation is for just the one employee.

Assemblyman Watts:

I appreciate the background on how you got to the staffing ratio of 400 cases per family support specialist position. Will this position, based on the projected increased workload, keep you around that 400 number that you have used previously?

Melanie Young:

It will keep us close but will not get us to the 400. We estimated we need 1.75 employees to cover the workload. Additionally, you will hear about an enhancement decision unit that is going to impact the workload of that staff. It is critical that we receive at least one employee and, hopefully, we can maintain the standards.

Assemblyman Watts:

It sounds like 1.75 is closer to 2.

Assemblyman Hafen:

I have a general question about page 4 of your presentation [[Exhibit C](#)]. You mentioned an 18.9 percent increase in total funding. However, when I look at the breakdown of the increase, we currently have a roughly 50-50 split between federal and state money and the budget recommends a \$71 million increase from the state General Fund, but only \$14 million from the federal government. I am curious whether you know what has changed with the federal funding? Why are they not matching? Does that have to do with the ARPA funding?

Melanie Young:

I believe most of that is due to the Federal Medical Assistance Percentage (FMAP) rate reduction that the federal government implemented during the pandemic. But specifically, if you would like further analysis, we would be happy to provide that for you.

Senator Nguyen:

I am looking at the amount in the E-372 decision unit. How did you estimate the amounts covered by the federal Title IV-E program and the state portion?

Melanie Young:

That is the eligibility support specialist. We run all our decision units through a spreadsheet that calculates the federal portion of the funding. Regarding how the amounts were determined, that is a complicated calculation that goes through the FMAP and penetration rates on Title IV-E.

Senator Nguyen:

You could follow up offline if it is more complicated. I know Clark County is spending 100 percent of their General Funds on the Step Up program. Do you know if the calculation takes into consideration other programs like that? Does the funding the state is responsible for take into consideration other jurisdictions' independent funding?

Melanie Young:

I would have to get back to you on that question and investigate that a little further. I apologize, but I do not have an answer for you today.

Senator Nguyen:

No that is fine. Thank you.

Chair Gorelow:

Are there any other questions regarding decision unit E-372? Seeing none, we will move on to budget account 3141.

HEALTH AND HUMAN SERVICES

CHILD AND FAMILY SERVICES

HHS-DCFS - WASHOE COUNTY CHILD WELFARE (101-3141)

BUDGET PAGE DHHS-DCFS-30

Cindy Pitlock, Administrator, Division of Child and Family Services, Department of Health and Human Services:

Budget account 3141 is the Washoe County budget which provides funding for the state's portion of child welfare services with the county. This budget is primarily funded with General Funds and federal Title IV-E.

First, we have decision unit enhancement (E) 370 which reinstates categorical funding for the purpose of respite. This funding provides foster parents rest and relief in caring for children to reduce and prevent burnout and avoid disruption of placements. These respite funds are intended for use by foster families for short periods of time.

During the pandemic, the federal government provided increased federal funding in the terms of the Federal Medical Assistance Percentage (FMAP). Due to the end of the pandemic, the FMAP rate has been reduced which necessitates an increase in General Funds to maintain the funding levels. Decision unit E-378 accommodates this funding adjustment. If we do not move forward with this enhancement, the ability to provide respite services will be directly impacted. You will see a very similar proposal when we go over Clark County's budget.

Decision units E-376 and E-904 are connected for the same purpose and provide \$25,000 in funding for mental health placements for Washoe County-specific youth who are uninsured, underinsured, non-Medicaid eligible, and in parental custody. These costs have been paid from our Northern Nevada Child and Adolescent Services budget. For transparency in providing the funding to Washoe County, it was determined these costs should be recorded in the Washoe County Child Welfare budget.

Assemblywoman Anderson:

Could you discuss the suspected causes of the projected decrease in adoption subsidies between fiscal year (FY) 2022 and FY 2023?

**Melanie Young, Deputy Administrator, Division of Child and Family Services,
Department of Health and Human Services:**

The caseloads are projected by our Office of Analytics, and they provide us with those caseload projections looking back over historical measures. For specific questions regarding the reduction in adoption subsidies, we would have to look into those caseloads. I could get back to you with further information.

Assemblywoman Anderson:

I was surprised by the projected decrease that is based upon the last two or three years. If you could get that information to the Subcommittees, that would be great.

Assemblywoman Dickman:

There are block grants but you also receive General Funds in the Washoe County Child Welfare budget. Can you confirm that the new foster care caseload would not be established in the Washoe County Child Welfare budget and the recommended funding is intended as a supplement to the child welfare block grant?

Melanie Young:

Assemblywoman Dickman, could I get some clarification on the question?

Assemblywoman Dickman:

The recommended increases for foster care programs are not intended to establish new caseloads. Is that correct?

Melanie Young:

That is correct. We are not intending to establish new caseloads.

Assemblywoman Dickman:

That answers the question.

Senator Titus:

Apparently Washoe County is going to continue to use Kids Kottage as respite care. Are you going to continue that through the 2023-2025 biennium?

Amber Howell, Director, Washoe County Human Services Agency:

We do utilize Kids Kottage a little bit for respite, but we try to find traditional family homes instead of putting children in congregate care. We have not utilized Kids Kottage for respite as often as we used to in the past because we have respite providers now.

Senator Titus:

Do you have a number on how many kids might be at Kids Kottage versus how many you have been able to place throughout the county and other locations?

Amber Howell:

We have 27 kids at Kids Kottage today and we utilized about \$60,000 of our respite in the community. We are diverting those costs to foster families for respite, instead, so it is about 23 kids.

Senator Dondero Loop:

Would you please give us some information on the number and types of positions that would be funded with the recommended figure over the 2023-2025 biennium to support a caseload of 4 youth in FY 2024 and 13 youth in FY 2025.

Melanie Young:

I apologize—can I get some additional clarity—are you asking about a specific decision unit?

Senator Dondero Loop:

We are currently on BA 3141 and within that, there was some information about the \$998,066 over the 2023-2025 biennium to support the caseload of the 4 youth in FY 2024 and 13 youth in FY 2025.

Chair Gorelow:

If I may interrupt, I believe we are talking about E-372 and E-373.

Senator Dondero Loop:

Oh, apologies, I did not go through that. Thank you for that clarification.

Melanie Young:

We were planning to cover those decision units under the statewide child welfare section that we have a little bit later in our presentation. I would turn the question over to Amber Howell because it is asking specifically about the positions.

Amber Howell:

The positions are due to the increases for extending foster care to age 21. Right now, we have Assembly Bill 350 of the 76th Session, and a lot of case management is not required. Extending foster care requires monthly visits as opposed to annual visits. We must have caseworkers attached to that caseload to manage it.

Senator Dondero Loop:

Thank you very much, and we will look forward to hearing the rest of the information.

Chair Gorelow:

Are there any other questions? Seeing none, we will move forward to budget account (BA) 3142, Clark County Child Welfare.

**HEALTH AND HUMAN SERVICES
CHILD AND FAMILY SERVICES
HHS-DCFS - CLARK COUNTY CHILD WELFARE (101-3142)
BUDGET PAGE DHHS-DCFS-36**

Cindy Pitlock, Administrator, Division of Child and Family Services, Department of Health and Human Services:

Budget account 3142 is the Clark County Child Welfare budget [page 13 [Exhibit C](#)] that provides for the state's portion of child welfare services primarily funded with General Funds and federal Title IV-E funds. Decision unit enhancement (E) 360 mirrors the Washoe County recommendation relative to the respite funding. These funds are for short-term respite for families. If we do not move forward with this enhancement, the ability to provide respite services will be directly impacted due to the federal Federal Medical Assistance Percentage (FMAP) decrease which necessitates an increase in General Fund to continue the necessary funding levels to provide those services. Same story—different county.

Decision unit E-251 provides funding to Clark County to align Clark County with the rest of the state for specialized foster care rates. Dating back to 2017, the block grant for Clark County was not adjusted to fund specialized and advanced foster care rates up to the amount of the other two jurisdictions.

Decision unit E-492 eliminates federal certainty grant funding that Clark County had applied for and received that allowed for more flexible use of federal Title IV-E funds to support child welfare prevention services. The certainty grant was established to financially support jurisdictions as they transition away from the Title IV-E demonstration waiver to the Family

First Prevention Services Act. Clark County was the only entity to apply for these funds which were available for a limited time. This does not represent a cut to their budget. It was an intended phased-out approach that was planned and predicted.

Chair Gorelow:

I want to confirm that the new foster care caseloads would not be established in the Clark County Child Welfare budget and that recommended funding is intended as a supplement to the child welfare block grant.

**Melanie Young, Deputy Administrator, Division of Child and Family Services,
Department of Health and Human Services:**

The budget is not proposing new caseloads or a supplement to the block grant.

Senator Nguyen:

Would you discuss the factors that led to the surplus funding related to the provision of traditional respite services in fiscal year (FY) 2022?

Melanie Young:

I believe the funds were underutilized in FY 2022, so there is an enhancement decision unit to bring those funding levels back up to what was appropriated last legislative session. The specific usage of those funds would need to be discussed by Clark County.

Senator Nguyen:

I know Clark County is in the room, so if they could address offline why they only expended about \$20,000 of the \$155,000 that was allocated in respite funds, that would be great.

Jill Marano, Director, Clark County Department of Family Services:

To answer the respite question, in our first year we quickly realized that we did not have the resources with families to be able to provide the respite programming the way it was originally intended. That is why we expended such a small amount that first year. In the second year, you will see we did increase the amount by creating a different kind of respite program. It took us some time to realize what we did not have and what we needed to do instead. In the second year, we implemented a therapeutic respite program, and we were able to expend more funds.

Senator Nguyen:

That somewhat answers my question. However, if this therapeutic respite is approved and is an allowable use of those respite funds, would that give you the flexibility that you need to be able to utilize those funds more efficiently and appropriately?

Jill Marano:

Yes, it would.

Assemblywoman Monroe-Moreno:

I would like to go to decision units E-372 and E-373 which provides state support for extended foster care subsidies. The recommendation is for seven new positions to support the projected caseloads of approximately 11 to 45 youth. Could you discuss that a little bit more?

Melanie Young:

That question would be best answered by Clark County.

Jill Marano:

Our plan on how we would implement extended foster care really mirrors what Amber Howell said earlier. We would need to increase our staffing and update the types of staff that are providing the extended foster care case management services. So additional positions would be needed.

Assemblywoman Monroe-Moreno:

We have heard time after time in the last few weeks of this legislative session that finding staff has been increasingly difficult. Do you think you will be able to fill those seven positions? What would be the timeline?

Jill Marano:

We have experienced the same challenges that others have in finding staff and hiring them. However, we have noticed that there seems to be an increased interest in people applying for positions as of late. I believe that we will be able to identify staff and fill the positions. I think we have a fairly competitive pay rate, which makes people more willing to come to work for Clark County, and being able to keep those positions in house will help us to fill positions as far as timelines. Typically, there is a 90-day to 120-day onboarding process, because background checks are taking about 8 to 10 weeks, and there is little flexibility with that.

Senator Seevers Gansert:

I want to understand a little more about what advanced foster care is versus specialized foster care. Also, the rates are increasing significantly; do you think that is going to help? I would imagine that is going to help as far as making sure children can be placed. What are your outstanding placements, and how do you expect this to change with the increase in funding?

**John Bradtke, Deputy Administrator, Division of Child and Family Services,
Department of Health and Human Services:**

Could I ask you to clarify, and could you please repeat the question?

Senator Seevers Gansert:

For those different rates, whether you are categorized as advanced foster care or specialized foster care; I want to understand a little bit more about what that means. I know we have had

a hard time placing children for a long time, and we are bolstering the rates, and I want to understand how you think that is going to impact the placement for children. I am assuming that specialized foster care makes them much more difficult to place. How many children do we have outstanding, and how do you think this is going to affect placement for those children and for all children?

John Bradtke:

The advanced foster care rate refers to the rural region program, and that program, that rate, funds the foster parents directly. The specialized foster care rate funds both the foster parents and the private agency that is providing service. I do believe with the increase in foster care rates, general foster care, and specialized foster care—and by virtue of the increase in general foster care and increase in advanced foster care—we are going to see a better ability to recruit and retain foster families to deal with special-needs children.

Senator Seevers Gansert:

I do not know if we keep a waitlist. Do we have lists or numbers, and how do we think those numbers are going to change with the increase in rates?

John Bradtke:

I can speak to the waitlist in the rural region where I am responsible. We generally have three or four children at any given time who are awaiting placement in advanced or specialized foster care. I believe that we can drive that down to probably one or two children at any given time. But I think the fact of the matter is we do not have enough specialized and advanced homes, so we have some children placed in less restrictive care or higher restrictive care than they should be. I believe we are going to place more children more appropriately with these increases in rates because we will have more foster care resources to place them.

Senator Seevers Gansert:

Could we receive an answer from Clark County and Washoe County to have a better understanding? It looks like it is the specialized foster care that is related to both of those counties.

Amber Howell, Director, Washoe County Human Services Agency:

In Washoe County we have 97 children who are classified as specialized foster care-level placements and they are all placed in specialized foster care. At Kids Kottage, we have 27 children, and out those, there are 13 who have been qualified as eligible for specialized foster care with no placement identified. One of the challenges that we have been having with specialized foster care is inflation, cost of groceries, and therapeutic services. We believe the increase in the rate will help foster parents be able to take children into their homes by giving them more financial support. The rate has not increased since, I believe, 2005.

Senator Seevers Gansert:

Thank you. Those 13 children in Kids Kottage are on somewhat of waitlist because they do not have homes, is that correct?

Amber Howell:

Yes, that is correct.

Jill Marano:

In Clark County we generally have about 320 to 350 children in specialized foster care who are currently placed in specialized foster homes. We do the same as Washoe County and consider our waitlist to be our number of children who are sitting in Child Haven—our emergency shelter—while we are seeking a foster home for them. We currently have 76 children in Child Haven and about 40 of those have been identified as in need of specialized foster care placement. The difference in the cost for advanced foster care versus specialized foster care is that essentially advanced foster care is our in-house specialized foster care program. The funding that you see in the budget recommendation for advanced foster care goes directly to a foster parent. We do not take any of that rate, nor does any of that daily rate go to the agency. When we pay specialized foster care agencies, we pay the higher rate to the foster care agency, and they use some of it for administration of the program and then some of it for that daily rate for the foster parents. That is why those numbers are different.

Senator Seevers Gansert:

Do you anticipate that you will be able to move some of the children out of Child Haven into homes with the increase in the rate for the specialized foster care?

Jill Marano:

Yes, that is our hope. This additional funding can be used to support foster parents more effectively so that they are able to take and manage placements.

Assemblywoman Monroe-Moreno:

Did I hear Director Howell correctly when she said there has not been an increase to the rates since 2005?

Cindy Pitlock:

That would be 2008. We will cover that in a little more detail in the remaining part of our presentation, but not since 2008. That is correct.

Assemblywoman Monroe-Moreno:

With the increase, I think it would be more attractive to be a foster parent, but what is the process? How long does it take to become qualified to be a foster parent? I am a former foster child myself, and my sisters are both foster parents in a different state. Do you think the additional funding will help?

Cindy Pitlock:

That would probably be a better question for both Clark County and Washoe County. I want to commend my colleagues in Clark County who have doubled down on making classes available online in the evenings and on the weekends. They have a huge push going on down there, but as far as their individual qualifications and processes, I would defer to them to answer that question.

Amber Howell:

In Washoe County, it takes about 120 days from start to finish. We are looking at some of the regulations that seem to be overly burdensome. To streamline those processes, we have added additional online trainings, paying for background checks, and different training that our staff can do, so it does not take so long. We also want to keep their interest and momentum and not have them be delayed in the licensing process. Our goal is to cut that period in half in the next year. We are actively looking at how to license people more quickly.

Jill Marano:

We are a bit longer than that. Our goal in Clark County is to be able to license people from start to finish within 90 days of starting a training. We are behind in that, and it is more probably 150 days. As Cindy Pitlock mentioned, we have a lot of efforts that we are doing in Clark County right now, to not only recruit foster parents, but also to focus on developing a stronger retention program and streamlining our licensing processes to make sure that we are getting closer to that goal of 90 days.

Cindy Pitlock:

I want to highlight something that Amber Howell said. Based on the Governor's directive to really look at regulations—what is possibly overburdensome or may be irrelevant—we have pulled together all three jurisdictions and are having ongoing conversations about how to streamline this process without impacting the safety of our youth. This has been a huge collaborative effort that we are working on, and we have identified some things that we think as a group we can move forward to make this process better. What we do not want is one jurisdiction to be doing something one way and another to be doing something another way. Any recommendation that we pull forward is going to be a collaborative effort where we are confident that our youth are going to be safe but expedite the process. Thank you to Director Howell for her comments because that is a work in progress for us.

Senator Dondero Loop:

I do not know if this question is in the right spot in this discussion, but I am going to ask it anyway. It is in reference to what Assemblywoman Monroe-Moreno was asking. I know that some of the regulations or stipulations in the home when children are placed are sometimes necessary health regulations but are burdensome. If I have two of my own children, but I am also fostering other children, and I have to give them Theraflu or aspirin for instance, I am allowed to give whatever I need to with my own children. You know, just

do whatever I have to do and hand it to them, right? We have all done that if we have children, but with the foster children, I may have to put on gloves. For me I think about a child witnessing that and knowing that they are different, I think that is heartfelt, right? You are a kid who is in this vulnerable situation, and now somebody is saying you are really different. I do not know if this is the right place for that question, but it is something that I have heard and had discussions on, and I did not know if that was a part of the discussion about some of the regulations that we may change so that foster children can feel normalized and loved.

Amber Howell:

That is an excellent statement, and we struggle with that every day. One of the things that really helped us was in 2015 the Children's Bureau, Administration for Children and Families, U.S. Department of Health and Human Services implemented the Fostering Connections to Success and Increasing Adoptions Act of 2008. There was a big piece in there about normalcy and how we needed to allow foster children to experience as much normalcy as possible. Foster children should not have to get approval to go to a sleepover. They should not have to have approval to go out of town with a family because it sets them separate from biological children. That is one of the areas we are looking at in the regulations: what would a foster parent do with their own biological child? We should do the same for foster children, and we need to find a better balance of that so that they do not feel like they are different.

Senator Dondero Loop:

I appreciate that because I know and you know, if we are writing up those foster parents, we are not going to have those foster parents eventually, right? They are going to go—you have got to be kidding me—and move on. Because most foster parents, I would bet my bottom dollar, are not doing it for the bottom dollar, they are doing it out of the love of taking care of those children.

Amber Howell:

If I could just add one additional comment. In the last year, I had virtual meetings with foster parents in Washoe County and had some very real and vulnerable conversations with them about how they feel, and how they experience the process. We did eight of them, and it was a humbling experience. I learned a ton, and we have an action plan that we are putting forward to break down some of those barriers. It was the best experience, to meet with them face-to-face on what the challenges are and similar situations like you had mentioned, that seem unfair, that seem overly burdensome, that are emotional, and that we need to own. We need to fix the process, so they feel supported, and make it as supportive as possible as partners. Washoe County is actively in the action phase of doing just that.

Senator Dondero Loop:

Thank you very much, and I am assuming that Clark County may be in that same phase.

Cindy Pitlock:

As a team, we are committed to looking at these placements and making it a family-like setting in the least restrictive environment to support these families as much as possible. One of my colleagues mentioned yesterday on the telephone that steak knives being out is a big issue. Well, his children get to have steak for dinner: how do you not have steak knives in your kitchen? We are all committed. All the leaders that you are hearing from today are committed to looking at this system together to come up with the best recommendations to normalize all of this in a family-like setting while still keeping our youth safe.

I think there is also work that we really want to do with the Legislative Counsel Bureau Audit Division to look at some of these issues together and determine what are really safety issues and what are not. I think that as a system, this is the time to evolve and move forward. There are a lot of players involved in this entire system who I know are committed to making this a more family-like normalized environment. I really think that is going to improve our foster parent retention as well, because I think these families get into this with the best of intentions to help kids. It is not for the money. It is to really help kids and to provide a family-like setting, but sometimes the barriers just wear them down. We are all committed to moving forward as a group. Thank you for letting me comment.

Senator Dondero Loop:

I just have one last comment and that is, you cannot learn how to be around steak knives if you are not around steak knives. Right?

Chair Gorelow:

Thank you. I appreciate the conversation. Clark County did you want to add anything?

Jill Marano:

I would just ditto what my partners who braved the snow have said. As mentioned earlier, we are in the action-planning phase as well so that we can work on addressing the entire experience for a foster parent from the recruitment side to actually having a pleasant experience interacting with our staff, with our workers, and wanting to continue to be a foster parent. I think we are all kind of on the same page with all that.

Chair Gorelow:

We will move on to budget account 3229, Rural Child Welfare.

**HEALTH AND HUMAN SERVICES
CHILD AND FAMILY SERVICES
HHS-DCFS - RURAL CHILD WELFARE (101-3229)
BUDGET PAGE DHHS-DCFS-42**

Cindy Pitlock, Administrator, Division of Child and Family Services, Department of Health and Human Services:

The Division of Child and Family Services, Department of Health and Human Services, oversees the child welfare services for the 15 rural counties. There is one item to note specific to the Rural Child Welfare budget, which is a transfer of a federally funded program—the Kinship Navigator—to a new budget account, which will be covered a little later in the presentation.

Let us continue the conversation about rate increases statewide [page 15, [Exhibit C](#)]. Nevada lacks a sufficient number of foster homes, especially for youth with specialized needs. Both retention and recruitment are problems, causing youth to remain in inappropriate nontherapeutic settings, such as Child Haven and Kids Kottage. These youth often are housed for extended periods of time in emergency departments awaiting appropriate placement. Supporting our foster placements in the most appropriate, least restrictive, home-like setting is imperative for the physical and mental wellbeing of Nevada's youth.

Noting that the foster rate structure has not been evaluated or increased since 2008, we engaged a contractor, Mercer, to conduct a rate study across all rate types. We found that due to over a decade of inflation, all rates are insufficient to meet the needs of foster families and to recruit and retain. Temporarily, we were able to increase specialized foster rates by \$20 per day through an internal funding transfer for the rurals and with American Rescue Plan Act of 2021 (ARPA) funding for Clark County and Washoe County. This action was immediately necessary because we were at risk of having providers not renew their contracts at the end of the calendar year, which would have caused a catastrophic placement problem. The total cost of this investment in retaining and recruitment for our use is \$25.3 million over the biennium.

Page 16 [[Exhibit C](#)] is a high-level summary of the state's current and proposed foster care rates. We can make the Mercer study available to you upon your request.

Assemblyman Hafen:

Looking at the daily rates, specifically diving into some of the contracts, during the Interim Finance Committee meeting in December—the Committee approved an increased rate of \$340 for the Rite of Passage. Is that a one-time expenditure or is that intended to continue beyond the biennium?

**Melanie Young, Deputy Administrator, Division of Child and Family Services,
Department of Health and Human Services:**

Regarding the Title IV-E youth who are placed at Rite of Passage, we would like to keep those youth there for continuity until there is a need for change. These youth have failed at other foster placements, but they are being successful at this location. So, we would request to keep funding available to keep the youth there. If there are further specific questions about the youth in the placement, we can turn the question over to my colleague.

Chair Gorelow:

I have a quick question that groups all the different counties together. It is my understanding that Washoe County and Clark County receive state funding through block grants and that the rurals receive line item funding. Can you explain a little bit more about that process?

Melanie Young:

Washoe County and Clark County are funded through a block grant, and they administer the child welfare programs in those two counties. The Division of Child and Family Services is over the 15 rural counties, and we budget for those in budget account 3229, and they are funded with General Fund and Title IV-E funding. There are several other federal funding sources that are utilized to fund that program for the rurals.

Chair Gorelow:

Thank you for that clarification. If there are extra funds with those block grants, what happens to those funds?

Melanie Young:

The block grant funds that are utilized by Washoe County and Clark County are retained by those counties. If there are costs over and above what they are funded with, it is my understanding they retain those funds and can use them. But Washoe County and Clark County can clarify a little further on that if needed.

Chair Gorelow:

Thank you. Yes, I would like them to clarify just a little bit more.

Amber Howell, Director, Washoe County Human Services Agency:

Washoe County and Clark County receive the child welfare funding through a block grant. It is a mix of General Fund and Title IV-E funds that is put into a block grant and is capped.

Jill Marano, Director, Clark County Department of Family Services:

I would add that we have had several unfunded mandates that have been passed on to us since that block grant was capped in 2011. We have an approximately \$28 million shortfall. We would love to have the problem of what to do with extra money. But we are a little bit short of there right now.

Chair Gorelow:

Are there any other questions. [There were none.] We will move on to budget account 3146.

**HEALTH AND HUMAN SERVICES
CHILD AND FAMILY SERVICES
HHS-DCFS - FAMILY SUPPORT PROGRAM (101-3146)
BUDGET PAGE DHHS-DCFS-65**

Cindy Pitlock, Administrator, Division of Child and Family Services, Department of Health and Human Services:

The last budget we will cover is budget account 3146, which is the Family Support Program which transfers federal programs, the Family Programs Office, and the Programs Evaluation Unit to align with current administrative structure. Similarly to what you heard about decision unit enhancement (E) 491 in the Administrative budget, decision unit E-491 in the Family Support Program eliminates eight program positions related to the Children's Behavioral Health Initiative that were funded at the August meeting of the Interim Finance Committee. These positions are proposed to be eliminated June 30, 2024.

We have faced challenges with classification establishment and, therefore, recruiting for these positions. We are currently using current staffing resources and overtime. We are going to continue to work to hire both state employees and contractors to assist in addressing the ARPA mental health initiatives that we are implementing. These positions were to provide the clinical leadership program staff for the development of the behavioral health authority, and oversight of the quality of children's mental health programs, including provider certification and network adequacy to ensure sufficient access to the appropriate level of services.

The next series of decision units transfer budgetary authority and positions associated with the establishment of the new budget account. Page 22 [\[Exhibit C\]](#) lists position summaries for the Division. We are happy to answer any questions you may have.

Assemblywoman Jauregui:

I know that in the Governor's budget there was a recommendation to eliminate the 11 positions that are funded with ARPA revenues. Can you talk to me a little bit about what kind of impact the agency is going to face with that elimination?

Cindy Pitlock:

In Nevada, there are no full-time state resources dedicated to ensuring there is an adequate well-trained behavioral health workforce; a comprehensive behavioral health service array for children and families; or ensuring that new and existing services are of high quality with proven, positive outcomes. In other states, these functions are performed by a children's behavioral health authority. The initial purpose of this authority would be to provide structure, support and training, and oversight of the ARPA projects coming online.

On August 18, 2022, the Joint Interim Standing Committee on Health and Human Services issued a work session document directing the Division of Child and Family Services and the Division of Public and Behavioral Health to formulate a comprehensive state plan for behavioral health clinical standards. This includes regulatory clinical oversight of both community-based settings and institutional settings. We were also tasked with certifying or denying certification of behavioral health care programs. If those programs are not certified, they will be ineligible to receive state and federal funds. The Division of Child and Family Services and the State Board of Health are to adopt regulations that prescribe clinical care standards, and those cost savings were intended to be reinvested back into the program. The impact of elimination would mean there is no designated oversight on the quality of mental health services by providers that receive funding. However, we are bridging that right now with current staffing and also utilizing contract staffing to help build out that behavioral health authority concept. We are hoping to come back in the interim to present what that build-out would look like. Our bridge right now is current staffing.

Assemblywoman Jauregui:

You are saying the elimination of these 11 positions is not going to impact the agency because you are currently fully staffed.

Cindy Pitlock:

No, I am saying that we are diverting current resources to cover the gap, but it certainly does have an impact systemically when we are diverting resources from programs that are already understaffed.

Assemblywoman Jauregui:

You said these 11 positions are going to be eliminated, but you will be hiring contractors to help as well. We are still going to need that work to be done by somebody.

Cindy Pitlock:

We are trying to lean in on contract staffing because we certainly have more flexibility with contract staffing versus hiring full-time state employees that may not have a position available in 2024. We are also working with the Governor's Finance Office relative to any budgetary amendments we may be mutually agreeable upon.

Chair Gorelow:

Are there any other questions? [There were none.] We will close our budget hearings for this morning.

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Next on our agenda is public comment.

[Public comment was heard. [Exhibit D](#) was submitted.]

Meeting adjourned [at 9:22 a.m.].

RESPECTFULLY SUBMITTED:

Anne Bowen
Committee Secretary

APPROVED BY:

Assemblywoman Michelle Gorelow, Chair

DATE: _____

Senator Rochelle T. Nguyen, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a copy of a PowerPoint presentation titled "FY2024-25 Budget Presentation, Division of Child and Family Services, Department of Health and Human Services," dated February 23, 2023, presented by Cindy Pitlock, Administrator, Division of Child and Family Services, Department of Health and Human Services.

[Exhibit D](#) is a letter regarding specialized foster care services submitted by Michael Flynn, Executive Director, Bamboo Sunrise Specialized Foster Care, Henderson, Nevada.