

STATE PAYMENTS TO PRIVATE PROVIDERS OF CARE



Bulletin No. 81-20

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

December 1980

REPORT ON PRIVATE PROVIDERS OF CARE

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Assembly Concurrent Resolution No. 51—Assemblymen Vergiels,
Mann and Wagner

FILE NUMBER..132..

ASSEMBLY CONCURRENT RESOLUTION—Directing the legislative
commission to study private providers of care in this state.

WHEREAS, Private providers of care which include adult group care homes, foster homes and community training centers offer a valuable service to this state and its citizens; and

WHEREAS, Many Nevadans are the recipients of the services of these private providers of care; and

WHEREAS, Every year the state expends large sums of public money purchasing the services of private providers of care; and

WHEREAS, It would be in the best interest of this state and its citizens that a comprehensive examination of private providers of care be made to determine whether the state reimbursement rates to the private providers of care are sufficient to provide both the level of care desired by the state and the creation of sufficient placement possibilities to meet state needs; now, therefore, be it

Resolved by the Assembly of the State of Nevada, the Senate concurring, That the legislative commission is hereby directed to study and evaluate the private providers of care in this state, including:

1. The levels of service they provide;
2. Their financial problems; and
3. The need for additional care facilities or private homes; and be it further

Resolved, That the legislative commission report the results of the study, together with any recommendations for legislation, to the 61st session of the legislature.

REPORT OF THE LEGISLATIVE COMMISSION

TO THE MEMBERS OF THE 61ST SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Assembly Concurrent Resolution No. 51 of the 60th Nevada Legislature which directed the Legislative Commission to study private providers of care in Nevada.

To conduct the study, the Commission appointed a subcommittee with the following members:

Assemblyman John M. Vergiels, Chairman
Assemblyman Lonie Chaney, Vice Chairman
Senator Wilbur Faiss
Assemblyman Jack F. Fielding
Assemblyman Mike Malone

The focus of this study is state funding of three groups of private providers of care included in the resolution: Adult Group Care Facilities, Foster Homes and Community Training Centers. Each of these groups presented a proposal for funding which served as a basis for the subcommittee's review and recommendations.

The subcommittee wishes to acknowledge the assistance and cooperation of foster parents, adult group care facility operators, community training center personnel and representatives of these groups, and representatives of the State Division of Welfare, Youth Services, and Mental Hygiene and Mental Retardation.

Respectfully submitted,

Legislative Commission
Legislative Counsel Bureau
State of Nevada

Carson City, Nevada
December 1980

* * * * *

LEGISLATIVE COMMISSION

Senator Keith Ashworth, Chairman
Senator Melvin D. Close, Vice Chairman

Senator Richard E. Blakemore
Senator Carl F. Dodge
Senator Lawrence E. Jacobsen
Senator Thomas R.C. Wilson

Assemblyman Robert R. Barengo
Assemblyman Joseph E. Dini, Jr.
Assemblyman Virgil M. Getto
Assemblyman Paul W. May
Assemblyman Robert F. Rusk
Assemblyman Darrell D. Tanner

SUMMARY OF SUBCOMMITTEE FINDINGS
AND RECOMMENDATIONS

1. The only feasible way to reimburse adult group care facilities is the present system of providing flat monthly payments.
2. The monthly payment levels should be targeted at a level sufficient to make continuation in the group care business attractive to facility owners. The rate for the fiscal year beginning July 1, 1980, should have been \$456 per month, or \$50 more than the present rate to accomplish this.
3. The rate for fiscal year 1981-82 and ensuing years should be set by adjusting the \$456 rate forward for anticipated inflation.
4. The subcommittee recommends that reimbursement for room and board be based on the annual cost of raising a child at a moderate level, as proposed.
5. The subcommittee recommends that allowances for clothing, school supplies and incidentals for foster children be increased to a more realistic amount, as proposed.
6. The subcommittee recommends that the proposed \$50 per month fee for service of foster parents not be adopted.
7. The subcommittee recommends that the Welfare Division request funds in its regular social services budget to provide money for adequate services to back up its foster parents. This should be done in place of the proposed \$10,000 special fund.
8. The subcommittee recommends that the proposal for training foster parents be adopted and the Social Services Specialist position for training be assigned the additional responsibility of developing a proposal for respite care for foster parents.
9. The amount of funding of Community Training Centers should be related to the level of care they provide as a means of encouraging them to provide services to lower functioning clients.
10. The amount of payment to Community Training Centers should be related to the staffing requirements for the three levels of care as proposed to the subcommittee: preworkshop programs, work activity centers, and preschool programs.

REPORT TO THE LEGISLATIVE COMMISSION OF ITS
SUBCOMMITTEE FOR STUDY OF STATE PAYMENTS
TO PRIVATE PROVIDERS OF CARE

I. INTRODUCTION

The 1979 session of the Nevada legislature adopted Assembly Concurrent Resolution No. 51 directing the legislative commission to study state reimbursement rates to three groups of private providers of care: Adult group care facilities, foster homes and community training centers. This resolution resulted from testimony before the appropriations committees of the 1979 legislature that these providers were facing serious financial problems. Since they offer an alternative to institutionalization that is better for the Nevada citizens they serve and is far less expensive for the state, a study of the means of assuring their financial health was obviously needed.

To carry out this assignment, the legislative commission appointed a subcommittee composed of the following legislators:

Assemblyman John M. Vergiels (Clark County), Chairman
Assemblyman Lonie Chaney (Clark County), Vice Chairman
Senator Wilbur Faiss (Clark County)
Assemblyman Jack F. Fielding (Pahrump)
Assemblyman Mike Malone (Clark County)

II. SUBCOMMITTEE PROCEDURE

Early in the study the subcommittee decided that its limited time and resources should be devoted to study of state funding of Adult Group Care Facilities, Foster Homes and Community Training Centers rather than a broad brush review of all private providers of care. These three groups were identified by both the 1979 legislature and the subcommittee as facing potentially serious financial problems related to state funding. The subcommittee's goal was to determine what the method and level of state funding ought to be at a given point in time, and to develop a report that the money committees of the 1981 legislature could use as a guide when they review budgets supporting the three groups.

The subcommittee held three public hearings during the course of the study. Its initial meeting was October 26, 1979, in Carson City at which time each of the groups of providers were asked to develop a reimbursement proposal and supportive documentation for the subcommittee's review. Subsequent hearings were held May 9, 1980, and October 20, 1980, in Las Vegas. These meetings were devoted to public testimony, review of proposals

for reimbursement and subcommittee deliberation. All meetings were posted in compliance with the open meeting law and an attempt was made to notify all parties that might be interested in providing input to the subcommittee.

This report is divided into three separate sections; each deals with one of the three groups of private providers of care.

III. ADULT GROUP CARE FACILITIES

Nevada supplements regular Supplemental Security Income (SSI) monthly payments of about 230 aged Nevadans to allow them to reside in adult group care facilities. This supplement is made for both benevolent and practical purposes. The individuals must be certified eligible for adult group care facilities which, in effect, means they are unable to care for themselves in their own home. Their SSI income is insufficient to pay for the domiciliary care so the only alternative to the supplement presumably would be a much more expensive placement in a skilled nursing facility with the state paying 50 percent of the cost under the Title XIX program. A relatively small number of placements are made at several adult group care facilities by the State Division of Mental Hygiene and Mental Retardation and by Clark and Washoe counties. These placements are for individuals who do not qualify as aged SSI recipients. Reimbursement is at the rate established by the State Welfare Division.

A. Adult Group Care Facilities Defined

Adult group care facilities are not medical facilities and do not provide nursing care. They do provide room, food and nutrition services, laundry services, assistance with medication and other personal services of a nonmedical nature. They are licensed by the State Health Division and must meet health and safety standards including the applicable Life Safety Code. Additionally, they are required to have a sufficient number of personnel available on a 24-hour basis to meet the needs of the residents and to assure adequate and speedy evacuation of the residents in case of an emergency. As a practical matter, no minimum number of employees is specified by the licensing agency since each facility is different in size and physical layout. What is required is that sufficient staff be employed to provide effective administration, food service, housekeeping and maintenance in the facility.

In the technical vernacular of the State Health Division, group care facilities are establishments operated and maintained for the purpose of furnishing food, shelter and personal care to four or more ambulatory aged, infirmed, mentally retarded or handicapped persons unrelated to the person operating the facility.

B. Characteristics of Nevada's Group Care Facilities

In June 1979, there were 19 licensed facilities in the state providing 696 group care beds. The breakdown by county and size of facility is provided in Table I. As expected, the majority of beds are located in Clark and Washoe counties and three facilities in these two counties provide over one-half of all group care beds in the state. Three other facilities listed are primarily engaged in the business of providing nursing care and have only a small number of group care beds. The balance of the group care beds are offered by 13 relatively small facilities. All but one of the 19 facilities (the Sierra Oddfellows Home in Washoe County, a 104-bed nonprofit group care facility operated by the Oddfellows and Rebeccas) are private for profit establishments.

All of the adult group care facilities accept state supplemented persons at the state rate. The majority reportedly charge all residents, public and privately supported, at the state rate, however, regulations do not require such parity. Several of the facilities have suites for privately supported residents who are willing and able to pay a higher price.

C. State Payments to Adult Group Care Facilities

The state provides a special supplement to aged group care recipients because the Federal SSI Grant, which includes a regular state supplement to all aged SSI recipients, is still not enough to cover the cost of adult group facility care. Both supplemental sums are administered by the Federal Bureau of Supplemental Security Income and are added to monthly SSI checks. Residents of group care facilities in turn pay facility operators monthly. State payment to the Bureau of Supplemental Security Income is made from money appropriated to the Welfare Division Assistance to Aged and Blind budget.

Table I

STATE OF NEVADA
LICENSED GROUP CARE FACILITIES
As of June 1980

	<u>No. of Facilities</u>	<u>No. of Beds</u>	<u>Total Beds</u>
<u>Churchill County:</u>			
	1	12	12
	1	19	19
			<u>31</u>
<u>Clark County:</u>			
	1	6	6
	1*	8	8
	3	16	48
	1	100	100
	1	148	148
			<u>310</u>
<u>Elko County:</u>			
	1*	18	18
<u>Washoe County:</u>			
	1	12	12
	2	18	36
	1	29	29
	1	36	36
	1	50	50
	1	57	57
	1	104	104
			<u>324</u>
<u>White Pine County:</u>			
	1*	13	13
		Total Statewide	696

* Denotes Group Care beds are located in nursing care facilities.

Increases in the federal share of the SSI grant are dictated by movement in the Consumer Price Index (CPI). Adjustments in the grant are made in July of each year. On the other hand, the amount of state supplement to all aged recipients and to adult group care facility recipients is set biennially by the appropriation process. Both past and anticipated levels of inflation are considered by the legislature in determining the level of supplement to the group care facility. Once the desired facility payment level is determined, an amount for personal needs (currently \$35 per month) is added on to arrive at the total state and federal need per adult group care recipient per month. The amount of the anticipated Federal SSI Grant is subtracted from the total need and the balance is the amount of state funding required. The state supplement and the amount of personal need is thus fixed for each year of the biennium and, unlike the Federal SSI Grant, does not change with CPI movement (refer to Table II).

During recent years the federal share of the SSI payment has been greater than was anticipated when the state's budget was developed due to large increases in the CPI. All of this federal increase was passed on as increased payments to the facilities, resulting in cushioning inflation's impact on group care facilities (see Table II). As is reflected in Table III, payments to facilities reasonably kept pace with inflation until the 1979-81 biennium.

The Nevada Adult Group Care Association and various adult group care facility owners and operators testified before the committees of the 1979 Legislature and the subcommittee that reimbursement rates are inadequate. They stated that while in past years annual increases in payments to facilities have fairly well kept up with inflation, they have been behind for many years and the inflationary increases just are not enough to bring them up to a profitable position. The operators told the subcommittee that many of the facilities are very old and are in need of major repair. Reimbursements are, they said, barely enough to keep the doors open and no money is available to set aside for the needed repairs. They provided the subcommittee with Exhibit I which lists the facilities in northern Nevada, major repairs needed, their age and vacancy rate. Also included with this was an operational cost summary which was collected by the Nevada Adult Group Care Association from participating adult group care facilities showing operational costs on a per day basis.

Table II

STATE OF NEVADA
GRANTS TO AGED INDIVIDUALS

	FY 1979-80		FY 1980-81	
	<u>Anticipated</u>	<u>Actual</u>	<u>Anticipated</u>	<u>Actual</u>
Federal Share	\$204.60	\$208.20	\$221.00	\$238.00
State Share	190.40	190.40	203.00	203.00
	<u>\$395.00</u>	<u>\$398.60</u>	<u>\$424.00</u>	<u>\$441.00</u>
Less Resident Allowance	35.00	35.00	35.00	35.00
Payment to Facility	<u>\$360.00</u>	<u>\$363.60</u>	<u>\$389.00</u>	<u>\$406.00</u>

Table III

ANALYSIS OF PAYMENTS TO
ADULT GROUP CARE FACILITIES

<u>Fiscal Year</u>	<u>Monthly Total Per Recipient</u>	<u>Recipient Allowance</u>	<u>Payment To Facility</u>	<u>Index of Facility Payment</u>	<u>Index of CPI Changes</u>
1973-74	\$256.00	\$25.00	\$231.00	100.0	100.0
1974-75	256.00	25.00	231.00	100.0	110.1
1975-76	300.00	25.00	275.00	119.1	119.0
1976-77	300.00	25.00	275.00	119.1	125.8
1977-78	336.70	25.00	311.70	134.9	134.3
1978-79	358.50	25.00	333.50	144.4	146.9
1979-80	398.60	35.00	363.60	157.4	166.4
1980-81	441.00	35.00	406.00	175.8	

In testimony before the subcommittee, adult group care facility operators pointed out that large increases experienced recently in energy costs, food, transportation (gasoline), repairs and maintenance and housekeeping supplies have been equal to, or in many cases, greater than the CPI in general. These items are detailed in Exhibit II. They said they have been able to hold down costs by providing salary increases which are less than the inflation rate and by deferring needed repairs, but these actions are only temporary and create a liability that will have to be made up in future years.

D. Request of Adult Group Care Facility Operators

In response to the subcommittee's call for a specific reimbursement proposal, adult group care facility operators asked that a payment level of \$456 per month as of July 1, 1980, be used as a base to establish future reimbursement rates. This requested sum is \$50 per month more than the current rate. Reimbursement rates for FY 1981-82 and 1982-83 and for future years would be determined by applying an inflation factor to this July 1, 1980 base. The present practice of providing a flat monthly reimbursement rate was favored by operators over an audited cost or some other variable rate. The annual cost of the \$50 per month increase for 230 residents is \$138,000.

E. Subcommittee Findings and Recommendations

1. The only feasible way to reimburse adult group care facilities is the present system of providing flat monthly payments.

If the state were to adopt a variable reimbursement system related to services rendered and/or costs, the Federal Bureau of Supplemental Security Income no longer would administer the payments for the state. An expensive state administration system would be required to perform facility reviews and financial audits, to set rates, and to make payments to facilities. Even if such a system were to be set up at the state level, it is doubtful that the smaller facilities could develop the sophisticated data collection systems that would be required. Further, under such a system, program cost control may prove more difficult than

under the present flat grant system. The subcommittee, therefore, believes that any system other than a flat grant would increase state cost dramatically and provide little or no benefit to facility residents.

2. The monthly payment levels should be targeted at a level sufficient to make continuation in the group care business attractive to facility owners. The rate for the fiscal year beginning July 1, 1980, should have been \$456 per month, or \$50 more than the present rate to accomplish this. The total cost of this one-time adjustment for 230 recipients would be \$138,000. Future rates should be set by adjusting the \$456 figure for increases in the cost of doing business.

The subcommittee's recommended cost adjustment corresponds to changes in the CPI from July, 1973, (132.7) when the Federal SSI System took over payments to the aged to the mid-point in fiscal year 1980-81 (estimated 261.9). While it is recognized that the CPI may be faulted in measuring the cost increases of these facilities, the state has used the CPI as a basis for granting pay raises and increases in other payments, so the subcommittee feels it is legitimate to grant an increase for these facilities based on the CPI change. The present monthly rate is too low, and if it is permitted to continue to slip below increases in costs of operation of the facilities, at some point in time facilities will begin to go out of business. The impact of inadequate reimbursement cannot be expected to show up right away because, in the short run, facility operators can defer maintenance activity and hold down wages and because many of the facilities are paid for or have fixed mortgage rates. In the long run, operators have little flexibility to lower operating costs because these are "no frills" types of establishments. From the state's experience, the subcommittee knows that the cost of running institutional programs has risen very rapidly in recent years. The information provided by the operators convinced the subcommittee that their mix of

costs are not unlike that of a state institution, though in most cases certainly much smaller in scale. Information provided by the operators shows some very large annual increases in expenses that certainly are far in advance of the compensation increases by the state. While the subcommittee has no way of verifying these, they do not appear to be out of line with general knowledge of increases.

At the present time there appear to be enough group care beds to meet state placement needs. Group care facilities in the state offer 696 beds and they do have vacancies. The state's placements through the SSI program have been very stable in number at around 230 during recent years.

3. The rate for fiscal year 1981-82 and ensuing years should be set by adjusting the \$456 rate forward for anticipated inflation. Beginning in 1983, rates set for the previous biennium should be reviewed and then the rates for the next two years should be based on the adequacy of the previous biennium and anticipated changes in cost for the future biennium.

Nevada Adult Care Association

RENO, NEVADA

March 24, 1980

RECEIVED
LEGISLATIVE COUNSEL BUREAUMEMBERS OF THE SUBCOMMITTEE TO STUDY
PRIVATE CARE PROVIDERS (A.C.R. 51)
C/O Legislative Council Bureau
Capitol Complex
Carson City, Nev. 89710

APR 4 - 1980

OFFICE OF FISCAL ANALYSIS

Dear Chairman Vergells and Committee Members:

During our meeting with your committee you requested we gather some information and data for your members;

1. The name, operator, facility capacity, vacancy rate...
2. The total footage of the facility, and age.
3. Remodeling needed and estimated cost of same.
4. Operational high and low costs.

A letter was sent by us to all the Adult Group Care Facilities in the state requesting this information on January 15, 1980. The response was sparse, as many businesses today are afraid of privacy invasion. However, those responding were most willing to answer any questions your committee may have.

Included for your consideration, please find the recap of the data gathered covering the period of October thru December 1979. To respect the privacy of the facilities, we have titled them A., B. C. etc.

OPERATIONAL COST SUMMARY: (Per occupant per day basis)

<u>Facility:</u>	<u>High</u>	<u>Low</u>	<u>Average</u>
A.	\$--	--	\$12.22
B.	12.75	10.62	11.68
C.	12.25	10.88	12.25
D.	---	---	11.44
E.	---	---	11.79
F.	14.32	10.85	12.58
G.	15.80	13.54	14.67
H.	12.30	10.05	11.17
<u>Average</u>	<u>\$13.48</u>	<u>11.18</u>	<u>\$12.22</u>

Major factors affecting results: Negative;

1. Vacancy rate- as it went up cost went up per resident.
2. Oil increases, food increases, etc.
3. Employee replacement- competitive wages and incentives
4. Unanticipated replacements of appliances, etc.

Factors affecting results: Positive;

1. Live-in owner-operator
2. Business and budget experience of operators.
3. Low mortgage and debt service of older facilities.
4. Property tax rollbacks for 1979

FACILITY, AGE, OPERATOR, FOOTAGE AND REMODELING NEEDED:Austins Highland Manor

Roger and Joan Austin, Director-Operator

472 Highland Ave

Reno, Nev. Tel: 322-8313

12 beds, 3000 plus Sq. Ft., 8 years old

Vacancy rate @ 2 people

Major remodeling just completed; Total Cost \$20,000.00

El Portal Boarding Home

Jeri LaBeau, Director

3036 Plumas St.

Reno Tel: 826-0111

36 beds, Built between 1930-1945, in family since that time. 5684 Sq.

Vacancy rate 18-20%, average 28 occupants

Major repair to flooring, furniture, and outside improvements to
total @\$10,000.00Golden Age Gardens

Donna Choma- Director

395 Gould St.

Reno, Tel: 322-6177

57 beds; 10,600 Sq. Ft.; 17 Years old ;

Vacancy rate 1-10%

Remodeling and replacement needed; Roof-\$8700., Carpet-\$2800.-Furn-\$3200.
Beds-\$950., Painting-\$700, Total-\$13,400.Haskell House

Timm Bodensteiner- Director

1059 Haskell St.

Reno, Tel: 323-8081

18 beds; 3000 Sq. Ft.;

Vacancy rate @ 2 people

Remodeling and replacement needed; Painting and furniture-@\$1,000

Mar-Von#1

Wenette V.F. Van Curen- Director/Owner

300 La Rue St.

Reno, Te; 329-7987

18 beds; @5000 Sq. Ft. ; 44 Years old; Business in family for 40 year

Vacancy rate 0 to 1 people

Remodeling needed; (Reroofed part-\$1,000) Painting, carpeting; @\$2500.

McBrides Golden Age Boarding Home

Vern Stofleth-Director/Owner

456 Highland Ave.

Reno, Tel: 323-5629

50 Beds; 11,000 Sq. Ft.; 18 years old; In family for 25 years (business)

Vacancy rate 5-15%

Major remodeling needed: Painting-\$500., Flooring-\$3000., Roof rep.-\$1000.
Beds- \$1200., Furniture-\$1000. Drapes-\$2000.
Total-\$13,700.00

Odd Fellows Sierra Home

Jim Vatson, Director

1155 Beech St

Reno, Tel: 323-1911

104 Beds; 36,000 Sq. Ft.;

Vacancy rate 0-1

Major remodeling needed; New roof, remodel employee living quarters,
add rooms for employees.

(Non-Profit Corp. of Odd Fellows and Rebeccas)

Riverhaven Rest Home

Jeri LaBeau- Director

727 Riverside Drive

Reno, Tel; 322-6749

28 beds; 6133 Sq. Ft.; Older Home in family for 10 years.

Vacancy factor @10%

Major remodeling and refurbishing @\$5000.00

We hope this information will be of some help to you and us.
If your committee needs any further data, please don't hesitate to
contact us.

Sincerely,

Wendy Van Curen; Sec. NACA

Vern Stofleth, President

Joe Choma, Vice President

1979

JAN. → Dec. INCREASES

ALL ENERGY COSTS	UP 34.7%
FOOD	UP 14.1%
TRANSPORTATION	UP 18.2%
SALARIES	UP 10.3%
REPAIRS & MAINTENANCE	UP 18.3%
HOUSEKEEPING SUPPLIES	UP 16.2%

THE OVERALL INFLATION RATE
WAS 13.3% IN 1979.

IT COST \$130 per DAY to keep
A client at the NMHI. We have
several at our facility at a cost
of \$12.12 per DAY

ICF, WHICH IS THE NEXT HIGHER
LEVEL OF CARE FROM OURS IS
\$32.00 to \$38.00 per DAY.

We feel that for the service
we render we should be
reimbursed \$456. per month or
\$15.20 per day. THIS should be
effective July 1, 1980.

IV. FOSTER HOME CARE

Agencies involved in recruitment of foster homes include the State Welfare Division, State Youth Services Division, State Division of Mental Hygiene and Mental Retardation, County Welfare, County Juvenile Services, and Indian Tribal Services. All foster homes must be licensed by the State Welfare Division under the provisions of NRS chapter 424. The Welfare Division also pays for the majority of all placements in foster homes. As of September 1979, their caseload was 446 children in foster homes. The Youth Services Division, which is the only other state agency making direct payments for foster care, had a case load of 32 placements for that same month.

A. Foster Home Care Explained

A foster care home is defined in NRS chapter 424, to include both a family foster home and a group foster home. These two types of foster homes are specifically defined in NRS 424.010 as follows:

"Family foster home" means any family home in which one to six children under 16 years of age not related by blood, adoption or marriage to the person or persons maintaining the home are received, cared for, and maintained for compensation or otherwise, including the provision for permanent free care. "Family foster home" includes any such home in which any such child is received, cared for and maintained pending completion of proceedings for the adoption of such child by the person or persons maintaining the home.

"Group foster home" means any individual, partnership, firm, corporation or association which provides full-time care for 7 to 15 children under 16 years of age not related by blood, adoption or marriage to the person or persons maintaining or operating the home who are received, cared for and maintained for compensation or otherwise, including the provisions of permanent free care.

In addition to regular foster care for children, the State Welfare Division also provides special foster care and emergency shelter care. Special contract care funds of the Welfare Division are used for training a small number of professional foster parents to specialize in the handling of particularly difficult children

in a family setting. Such care is an alternative to institutional placement. During fiscal year 1980-81, an estimated 25 homes will be paid an additional \$540 per month to handle these children. Emergency shelter on the other hand is short-term care to provide a place for a child to stay until long-range plans can be made. Short-term care usually does not exceed 30 days. The payment rate for emergency shelter care is \$15.00 per day per child up to 12 years of age and \$20.00 per day for older children.

Statistics provided to the subcommittee during October of 1979 show 363 licensed foster homes in Nevada with total combined capacity for 821 children. The breakdown of type of foster home is as follows:

Family Foster Home	319
Group Homes	10
Emergency Only Homes	18
Specialized Homes	16
Total	<u>363</u>

These figures and more information on the Welfare Division's foster care responsibilities are detailed in Appendix A.

B. State Payments for Foster Care

The State Welfare Division makes foster home care monthly payments from funds appropriated and authorized within the Child Welfare Services Budget. For fiscal year 1979-80, a total of \$1,200,121 was spent on family foster care which was made up of \$901,031 in state funds and \$299,090 in federal funds. The average monthly Welfare Division foster home payments for recent years are as follows:

FY 1975-76	\$144.00
FY 1976-77	158.00
FY 1977-78	162.56
FY 1978-79	171.56
FY 1979-80	225.00
FY 1980-81	250.00

As explained in Exhibit IV and Appendix A in this section, the actual foster home payment depends on the child's age and special needs such as allowance for clothing.

The 1979 Legislature made separate appropriations to the Youth Services' foster home budget of \$60,000 for

fiscal year 1979-80 and \$67,000 for fiscal year 1980-81. These sums were to provide 25 placements per month at the average rate approved for the Welfare Division: \$225 for fiscal year 1979-80 and \$250 for fiscal year 1980-81.

C. Foster Home Care Problems

The subcommittee was repeatedly told of a number of interrelated problems that have prevented the state from recruiting and retaining an adequate number of foster homes. First, the turnover rate in foster homes is very high. According to material supplied by the State Welfare Division (Exhibit III), in fiscal year 1979 there was a 35 percent turnover rate in foster homes. From April 1979 to December 1979 alone, 158 foster homes were closed or the applications were withdrawn or denied. One of the major causes of turnover the subcommittee learned is foster parent "burn-out." Further, the subcommittee was told that most foster parents lack training to deal with the older and more difficult to handle children who are becoming a larger percentage of those children in need of foster home placement. Both state officials and foster parents said that the current reimbursement rate is inadequate to cover the expenses a foster home parent incurs, and the foster parents are often faced with a choice of denying the child equal treatment or paying from their own money. Additionally, the subcommittee was told that there is a need for respite care for foster home parents.

A foster home placement is a less expensive and often much more desirable placement for the child than one of the institutional alternatives, but there is not always a suitable foster home available. The Youth Services Division stated that they need to double the placement possibilities. The Welfare Division and the Division of Mental Hygiene and Mental Retardation both reported that they need more homes for hard to place children. The trend toward more single parent homes and two income families reduces the number of potential foster homes at the time need is growing.

D. Proposal for Foster Home Payment

The Welfare Division, in cooperation with representatives of foster parents, developed a proposal for reimbursement which is included in this section as Exhibit IV. Under this proposal, the average monthly payment for foster home care would increase approximately 44 percent from \$250 for fiscal year 1980-81 to \$360. If the average rate proposed was in effect during fiscal year 1980-81, an additional General Fund appropriation

REPORT TO LEGISLATIVE SUBCOMMITTEE
ON STUDY OF PRIVATE PROVIDERS
MAY 9, 1980

FOSTER HOME TURNOVER

In Fiscal year 1979 there was a 35% turnover rate in foster homes. During this period of time there was a 12% increase in the number of children needing foster care.

From April 1979 to December 1979, a total of 158 homes were closed or the applications were withdrawn or denied.

REASONS FOR CLOSURE

The following are general categories of reasons for closures of these homes, and numbers.

I.	Move by the foster family.....	30
II.	Licensed for specific child & when they left, not interested in other children.....	33
III.	Family problems - marital/financial/conflict with children, etc.....	31
IV.	Job related problems - return to work/lack day care...	14
V.	Withdrew application or did not request renewal - often would not have met agency requirements.....	18
VI.	Miscellaneous, e.g., extended trips.....	7
VII.	License revoked due to severe problems.....	4
VIII.	Adoption or pregnancy.....	9
IX.	No reason given.....	<u>12</u>
		158

NUMBER OF LICENSED FOSTER HOMES

Following is the monthly average of licensed foster homes for the calendar year:

1977 - 348
1978 - 399
1979 - 389

Included in the above are homes licensed by the Welfare Division for other agencies, e.g., Division of Mental Hygiene and Mental Retardation, Youth Parole Services and Washoe County Welfare Department.

Exhibit IV

REPORT TO LEGISLATIVE SUBCOMMITTEE
ON STUDY OF PRIVATE PROVIDERS
MAY 9, 1980

The following are the recommendations of the Nevada State Welfare Division to improve foster care services.

I FOSTER HOME PAYMENT

	<u>Rate Effective 7/1/80</u>	<u>Proposed Rate</u>
Child 0-12 yrs.	Board & Room	\$204.00
	Personal Incidentals	8.00
	Fee for Service	0.00
	TOTAL	\$212.00
Child 13 yrs & Over	Board & Room	\$244.00
	Personal Incidentals	16.00
	Fee for Service	0.00
	TOTAL	\$260.00
		\$308.00
		\$363.00

The above figures are based on the annual cost of raising an urban child from birth to age 18 at moderate level. (USDA, Agricultural Service, Cost of Raising a Child. See attached copy.) These are 1978 figures which have been adjusted by a 13% cost of living increase in 1979. The board and room cost includes total of food at home, food away from home, housing, transportation, personal care, recreation, reading and other miscellaneous expenditures.

The proposed payment level should reduce foster home turnover and assist in recruiting families willing to accept children with special needs. Foster parents will be compensated for the direct costs they incur in caring for a child, plus a small amount for their time and effort. This will encourage some foster mothers to continue to provide foster care, rather than enter the job market.

Also, families would be more inclined to accept a child as they would not have to cut their standard of living to do so or have to treat the child differently than their own children.

The fee for service is to cover the cost of the time of family members devoted to the task of child rearing, and includes such tasks as food preparation, house cleaning, time spent in teaching and training the child. It is estimated that the direct cost of child raising represents only about 1/3 of the total cost.

See attached booklet "How to Measure the Cost of Foster Family Care."

The board and room figure should be rereviewed relative to cost of living increases in 1980.

II CLOTHING - ANNUAL ALLOWANCE

<u>Age</u>	<u>Effective 7/1/80</u>	<u>Proposed</u>	<u>Increase</u>
0-4	\$135.00	\$163.00	\$ 28.00
5-12	240.00	325.00	85.00
13 & Over	320.00	471.00	151.00

These figures are also based on the moderate level plus cost of living increase from attached article from Family Economics Review.

III INITIAL CLOTHING ALLOWANCE

<u>Age</u>	<u>Effective 7/1/80</u>	<u>Proposed</u>	<u>Increase</u>
0-4	\$ 60.00	\$ 68.00	\$ 8.00
5-12	80.00	126.00	46.00
13 & Over	100.00	194.00	94.00

See above.

IV SCHOOL SUPPLIES - ANNUAL

<u>Effective 7/1/80</u>	<u>Proposed</u>
5-12 \$ 8.00	6 & Over \$98.00
13 & Over 16.00	

This increase is also based on attached cost index. Currently foster parents are paying for school supplies, from their own pocket, such as gym clothing, book deposits, and special supplies for classes, such as sewing and wood shop.

V SPECIAL FUND

Proposed \$10,000 a year.

To cover:

1. Day care for school age children as needed.
2. Day care for developmentally delayed preschool age children.
3. Respite care for foster parents.
4. Tutors and summer school costs.
5. Vacation costs.
6. Recreational costs.
7. Christmas allowance.

A foster parent told us recently that they are expected to be the tooth fairy, Santa Claus, the Easter Bunny as well as provider for birthdays, and be room mothers, all of which they must do without reimbursement. There are presently no funds for vacation and therefore often the foster child is moved to another home as three extra children at Disneyland would throw the family budget out of balance. In addition, many foster children cannot participate in scouting activities, dances, or music lessons or other activities that most children take for granted because the Welfare Division is unable to reimburse foster parents for these expenditures.

Exhibit IV

Foster children frequently have school problems. They are failing or are a year or more behind their grade level. To provide maximum help to the child and foster parents, funds for tutoring or summer school are needed.

Many foster children are physically destructive and often foster families have to replace windows, beds, walls and other essential household items.

The requests for these special funds will be reviewed by central office and funds allocated on a case-by-case need.

VI TRAINING

A.	Social Service Specialist II	20,214
	Operating cost	740
	Equipment	1,020
	Other	50
		<u>21,998</u>
	Travel expenses	<u>2,000</u>
		<u>22,998</u>
B.	Books and publications	2,000
C.	Stipends for class attendance*	6,562
D.	Child care while attending classes	1,000
E.	Miscellaneous	<u>1,500</u>
		<u>34,060</u>

*If both foster parents attend - stipend - \$15.00 per session

If one foster parent attends - stipend - \$10.00 per session

Estimate training 75 persons at average cost of 12.50 per session times 7 sessions. This rate will be paid to the foster parents to cover their expenses to attend training, e.g., travel, meals, etc.

The specialist will coordinate training for foster parents statewide, develop local community resources for training, and prepare and review training material.

Each of the local welfare district offices was requested to submit ideas on how to improve foster care and the response that training was needed was very high. The Foster Parent Association in Reno has also indicated that they will request that training be required for all foster parents.

VII EFFECT OF PROPOSED RATE INCREASES

The Welfare Division child welfare budget is based on an average monthly payment per child, multiplied by the projected number of children the Division will serve. For fiscal year 80-81, the Division is budgeted for a monthly average payment of \$250 per month. It is estimated that an average payment of \$360 per month will be needed to fund the proposed rate increases.

to the Welfare Division of \$439,000 would have been required. For the Youth Services budget, an additional \$33,000 would have been required.

The basic elements of the foster care payment proposal are as follows:

1. Room and board, which is a major part of the payment for foster home care, would be based on the annual average cost of raising a child from birth to age 18 in an urban area for a middle income family. The figures used to arrive at this cost are based on a HEW study entitled, "How to Measure the Cost of Family Care," DHEW publication (OHDS) 78-30126. (A copy is on file and available for public inspection in the Legislative Counsel Bureau library.) The figures presented in the proposal assume an effective date of July 1, 1980. For future fiscal years, adjustment to reflect changes in the cost of living would be necessary.
2. An additional \$50 per month per placement fee is proposed as compensation for foster parents services.
3. Clothing and other allowances would be increased to better approximate the cost of providing clothing, school supplies and incidentals for the foster child.
4. A special \$10,000 fund is proposed to reimburse foster care parents on a case by case basis for vacation costs, Christmas allowances, respite care and other miscellaneous expenses.
5. A fund for training foster parents in the amount of \$34,060 is requested. This would include a position of Social Services Specialist II who would coordinate training on a statewide level.

A letter of support for the proposal from the Northern Nevada Foster Parents Association is included as Exhibit V. The State Youth Parole Services Bureau also expressed support for the proposal to the subcommittee.

E. Subcommittee Findings and Recommendations

1. The subcommittee recommends that reimbursement for room and board be based on the annual cost of raising a child at a moderate level as proposed.

The subcommittee recognizes that the cost of raising a child varies considerably from family to

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Northern Nevada Foster Parent Association
3285 Montecito Drive • Sparks, Nevada 89431 • 702-350-7020

April 10, 1980

To: The Legislative Subcommittee on Private Care Providers.

We, the undersigned members of the Northern Nevada Foster Parent's Association, endorse and support the rates proposed to the Legislative Subcommittee on Private Care Providers by the Nevada State Welfare Division. This committee is scheduled to meet May 2, 1980.

We wish to stress several points included in the Welfare Division's proposals. They are:

1. Moderate level cost scales for family rearing is an acceptable goal for the care which we feel is essential for foster care and future recruitment of new foster families.
2. Foster Parents are professionals and should be treated as such. This would encourage more foster mothers to enter the Foster Care programs rather than entering the job market.
3. Many 'out-of-pocket' expenses, such as school supplies, gym clothing, book deposits, etc. should be acknowledged as legitimate child rearing expenses. This would relieve much of the 'guilt motivation' for paying for these expenses by Foster Parents.
4. Respite relief is important if we are to prevent 'burn-out', a major attrition factor with qualified and trained Foster Parents.
5. Summer school funds are necessary for most foster children as they are universally behind in academics.
6. Home destruction costs should be compensated as foster children are traditionally of a more destructive nature than 'average' children.
7. The need and desire for training is recognized and requested as a means of improving foster care and establishing a professional status to Foster Parents. We further endorse training as a requirement for all Foster Parents.
8. Adequate compensation, as requested by the Nevada State Welfare Division, is absolutely necessary if foster care services are to continue on a professional level.

We respectfully submit that all of the above proposals be met.

Shela Smith, President

Northern Nevada Foster Parent Association

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George & Loretta Kriz

Peg & Bob Dinkin

Kris Johnson

A. Lynn Shaeffer

Mary Smith

Bert Crawford

Sylvia Crawford

Cal Hunt

Cal Hunt

Donna Allen

Lee & Mae Mitchell

Paula & Bob Marshall

April T. Smith

Joe T. Smith

family depending on where they live, how they live, and income. However, basing foster home payments on an average appears to be the only realistic alternative, and equating this average to the average for a family with a moderate income is a fair plan.

2. The subcommittee recommends that allowances for clothing, school supplies and incidentals be increased to a more realistic amount as proposed.

The subcommittee believes that the state payment should be sufficient to enable foster home parents to provide the same clothing, school supplies and incidentals to foster children that they would to their own children without having to spend their own money.

3. The subcommittee recommends that the proposed \$50 per month fee for service not be adopted.

The subcommittee recognizes that the service of foster home parents is indeed a valuable one that cannot be duplicated, and the \$50 fee for service would only be a token payment. However, the fee for service concept is a major deviation from the philosophy of foster home care. A better alternative is to fine tune the payment program so that foster parents are compensated as fully as possible for their expenses.

4. The subcommittee recommends that the Welfare Division request funds in its regular social services budget to provide money for adequate services to back up its foster parents. This should be done in place of the proposed \$10,000 special fund.

The \$10,000 request would average about \$2.00 per month per child. This amount is obviously inadequate to cover vacation costs, Christmas allowances, respite care for foster parents, day care for developmentally disabled preschool children, and other costs. While the subcommittee is sympathetic to these needs, it is also aware that other agencies, both state and local, and the Welfare Division are involved in many of the services outlined in the proposal. The extra \$10,000 would be an insignificant amount and would further fragment the service delivery program.

5. The subcommittee recommends that the proposal for training foster parents be adopted and the Social Services Specialist position for training be assigned the additional responsibility of developing a proposal for respite care for foster parents.

The training of foster care parents is clearly a wise investment for the state. The additional cost of training could be recovered if just three children are placed in foster homes rather than institutions. The subcommittee is also persuaded that the state should attempt a program of respite care for foster parents to help slow down the very high turnover rate. It appears that the person in charge of training foster parents would be in an excellent position to develop an understanding and degree of rapport with foster parents that would be necessary to put together a successful respite program.

V. COMMUNITY TRAINING CENTERS

State payments made to Community Training Centers provide the core of support that allows the 15 Centers throughout the state to provide badly needed day program services to over 400 retarded people. These services are delivered in their own community where they can live at home and learn to achieve the highest possible level of independent living. Adequate community based services often permit a family to care for their retarded child or adult at home rather than seeking institutional placement. State reimbursement to Community Training Centers by statute can only be paid for serving people for whom no other program exists.

A. Community Training Centers Explained

Community Training Centers are private, nonprofit corporations which provide community based care and training of mentally and functionally retarded persons. About one-half of the centers are operated by local units of the Association of Retarded Citizens of Nevada and the remainder are run by other nonprofit organizations. The centers mainly serve preschool and postschool age clients with a range and intensity of programs that varies considerably. As would be expected, the most comprehensive programs are located in the state's larger metropolitan areas, Reno and Las Vegas. All of the 15 Community Training Centers and their service areas are listed in Exhibit VI.

The subcommittee learned that three basic programs are offered by Community Training Centers, though not all centers provide all three: preschool programs to help developmentally disabled children in remedial skills so they can cope with regular or special programs; sheltered workshops and work activity programs to develop social and job skills to help in holding a competitive job; and, a basic skills program for the severely retarded. Several of the smaller centers serve only preschool children.

B. Funding of Community Training Centers

State payments to Community Training Centers are made from money appropriated and authorized in the Community Training Centers' budget within the Division of Mental Hygiene and Mental Retardation. The authority and

Exhibit VI

COMMUNITY TRAINING CENTERS

<u>Center</u>	<u>Service Area</u>	July 1, 1980 Enrollment	
		<u>Adult</u>	<u>Preschool</u>
Alpha Productions Technologies, Inc.	Reno/Sparks	14	-
Community Services Agency (minimum funded)	Reno/Sparks	-	10
Elko Association for Retarded Citizens	Elko County	8	8
Fallon Intertribal Council	Fallon	-	5
Fallon Industries (minimum funded)	Churchill County	9	-
Freeport Assembly Services and Training	Reno/Sparks	28	-
Mineral County Sheltered Workshop	Hawthorne/Babbitt	5	6
Opportunity Village Industries	Clark County	151	-
Ormsby Association for Retarded Citizens	Carson/Douglas	15	5
Southern Nevada Assoc. for the Handicapped	Clark County	19	-
Washoe Industries	Washoe County	60	-
White Pine (minimum funded)	Ely	7	-
Zion Methodist Day School	North Las Vegas	-	60
Yerington Intertribal Council	Yerington	-	13
Northern Nevada Human Services	Winnemucca	New Center	
	Total	316	107
	COMBINED TOTAL	423	

framework for these payments was written into chapter 435 of NRS by the 1969 Legislature. Under the provisions of that chapter payments are made based on quarterly enrollments up to the limit approved in the Community Training Centers' budget by the most recent legislature. The statutory minimum is \$400 per quarter per enrollee, or \$16,000 per year if a Center maintains a minimum of five enrollees and has expenses of at least \$16,000. For fiscal 1980-81, the actual payment level for adult clients is \$559.50 per enrollee per quarter. The 1980-81 rate for preschool established by the Division is \$500 per enrollee per quarter or \$20,000 per year for a minimum center (minimum enrollment of 5).

Since inception of the program the budget for payments to Centers has been developed by multiplying a single reimbursement rate times the anticipated statewide number of enrollees per quarter. When approved the reimbursement rate used to develop the total budget becomes the maximum rate per enrollee that can be paid to Centers under NRS 435.290*. Therefore, a Center that has a high staffing ratio to serve severely and profoundly retarded clients receives no greater reimbursement per enrollee than a Center staffed to serve higher functioning clients.

The funds for payments to Community Training Centers are from General Fund appropriation and federal social services money. The preschool placements generally do not qualify for social services payment. While about one-third of all enrollments are in the preschool category, only about 5 percent meet social services eligibility requirements. About 80 percent of the adult clients qualify for social services funding, so it theoretically would be possible to increase payments and/or expand services to adults with 75 percent federal money. However, the state has allocated nearly all social services money available so any significant expansion of the Community Training Centers' budget will require a larger percentage General Fund contribution.

*NRS 435.290, Section 5, says,

"The amount of money which a center is entitled to receive per enrollee per quarter or per year must not exceed the amount specified in the budget for the community training center fund as approved by the most recent session of the legislature."

The subcommittee learned that Community Training Centers receive support from a number of sources in addition to the state. These include federal programs, such as, WIN and CETA; local grants, donation of space and services; private donations of money, space and services; and income from thrift stores and shelter workshops. There is a considerable difference in the mix of funding because of the variation in programs. The amounts of support provided by the state for fiscal year 1978-79 are listed in Exhibit VII. Also shown in this exhibit are "actual costs" of operation of the various Centers with the difference being from a combination of the nonstate resources above. The subcommittee did not attempt to examine in detail the costs included in these figures. It is known that local support in the form of free space provided, grants for acquisition of equipment, and similar kinds of assistance, were not included so it should not be inferred that the state is providing 100 percent of the support of some of the Centers.

C. Comments of Previous Studies Concerning Funding of Community Training Centers

One of the recommendations of the 1976 Rand Corporation study of Mental Hygiene and Mental Retardation services in Nevada was to at least double the Community Training Centers' minimum funding level per client for those clients receiving services but not primarily funded by some other agency. The Rand Report said that, "We estimate that the cost that will be necessary to provide minimum quality services are currently two to four times as high as the \$12,000 per year minimum funding provided per client by the Community Training Centers' Program." In reviewing this recommendation, in 1978 the legislative subcommittee studying the administration of Mental Hygiene and Mental Retardation Programs in Nevada said, "money has been provided for increases. However, the subcommittee believes that the present funding remains inadequate." That subcommittee recommended substantially increasing funding for Community Training Centers. The report of the subcommittee said:

"The subcommittee believes that increased emphasis should be placed on Community Training Centers for providing services to the mentally retarded. These centers offer both unique and effective programs. The dedication and hard work provided by those who operate these nonprofit organizations is not easily duplicated.

Exhibit VIICOST COMPARISON OF CTC ACTUAL COSTS
AND STATE CTC FUNDS RECEIVED

June 30, 1979

* Represent agencies which operate CTC pre-school components within a general or Headstart pre-school program.

	Actual Costs	CTC Grants
Alpha Productions Technologies	\$ 76,035	\$ 23,330
Community Services Agency*	20,160	20,160
Elko ARC	37,340	23,190
Freeport Assembly Services & Training	92,030	63,680
Fallon Industries	69,910	18,180
Mineral County Workshop	24,980	18,180
Ormsby A.R.C.	126,980	40,760
Opportunity Village Industries	1,402,640	294,480
Panaca CTC	20,140	18,180
SNAH Training & Learning Center	65,580	20,860
Inter-Tribal Council Fallon*	28,225	28,225
Inter-Tribal Council Yerington*	28,225	28,225
White Pine Rehab. Center	20,335	18,180
Washoe A.R.C.	956,000	96,000
Zion Methodist*	114,910	114,910

Provided to the subcommittee by the Division of Mental Hygiene and Mental Retardation.

The Division, in cooperation with the Community Training Centers has been reexamining the funding formulas for the C.T.C.'s. The subcommittee believes that the legislature should carefully review these new proposals when they are completed and presented to the 1979 Legislative Session."

D. Proposal to 1979 Legislature for Funding Community Training Centers

Prior to the 1979 Legislative Session, the Community Training Centers' representatives worked with the Division of Mental Hygiene and Mental Retardation to develop a new approach to state funding of Community Training Centers. Their joint proposal which is summarized in Appendix B called for the following:

- Unit funding of Community Training Centers in place of funding per individual enrollee per quarter. Under this concept, a Center serving 16-18 enrollees would be required to maintain a certain staff level and reimbursement would be tied to the staff level required. If enrollment dropped from 18 to 17 or 16, there would be no change in state payment.
- Reimbursement rates to vary with the level of care required. This concept calls for the staffing ratio unit to vary with the level of care provided. For example, prework programs would require much more intensive staffing units than sheltered workshop programs.
- Unit funding to be based on entry level salaries paid to state employees performing similar jobs. As an example of this concept, a Center required by classification and number of clients served to employ one psychologist and five mental health technicians would receive unit reimbursement equivalent to state entry level salaries for these positions.

This proposal was developed prior to and included in the initial agency budget request for the 1979-81 biennium. For the first year of that biennium, fiscal year 1979-80, \$1,518,419 was requested for training center grants (\$1,325,459 for training center grants

plus \$192,960 for preschool grants). This was a substantial increase from the previous fiscal year (1978-79) when \$765,180 was budgeted for training center grants. The increased funds requested to implement the proposal were not included in the Governor's budget recommendation to the legislature and the Governor's budget was calculated based on continuing the per enrollee per quarter payments rather than on unit funding. The Executive Budget did recommend an 8 percent increase for each year of the biennium.

The funding proposal was explained to the money committees of the 1979 Legislature. Proponents said it was not given adequate consideration by the State Budget Office and asked that the legislature give it further consideration. As a result, the Assembly Ways and Means Committee's Subcommittee on Human Resources did conduct further review. The subcommittee was sympathetic to the Community Training Center's problems but, because of limited time and the cost of the proposal, they did not recommend its adoption. Instead they recommended that funding to Community Training Centers be increased by 10 percent above the Governor's recommendation and that an interim study be conducted. Both recommendations were accepted by the 1979 Legislature.

The summary of the joint proposal (Appendix B) says that for fiscal year 1979-80, the cost of implementing the program for adults was estimated to be \$1,412,659. The subcommittee was told that the preschool program cost would be an additional \$350,000 for a total cost for 1979-80 of about \$1.8 million (this \$1.8 million is somewhat more than the agency's original request for 1979-80 noted above because the Division used more recent projections to develop the \$1.8 million figure).

E. Proposal for Community Training Center Payments

The subcommittee learned that the major problem with current state funding of the Centers is that the system does not take into consideration the increased costs of staff to serve lower functioning clients. Because of this, there is no incentive to serve these clients and no incentive to move clients into competitive employment. To counter this problem, the Division of Mental Hygiene and Mental Retardation proposes a variable

reimbursement schedule which is explained in Exhibit VIII. Three levels of care will be recognized: pre-workshop, work activity centers and preschool. The first two programs would be to serve adults over the age of 18; the latter, of course, would serve preschool age children.

Preworkshop programs would serve severely and profoundly retarded and multiple handicapped adults. The subcommittee was told that upon entry in the program these individuals typically would be nonverbal, unable to accomplish simple tasks and lack social and work skills. An intensive 1:3 staff to client ratio would be required of Centers offering preworkshop programs because a great deal of personal attention on a 1-to-1 basis is required to teach social and work skills. This represents a major change of emphasis in the Community Training Centers' program which the state mental retardation officials expect will reduce the need for the construction and staffing of new state institutions. For fiscal year 1981-82, the Division of Mental Hygiene and Mental Retardation recommended funding preworkshop programs as follows:

86 enrollees X \$1,200 per quarter X 4 quarters = \$412,800

Work Activity Centers would serve higher functioning adults and would be required to maintain a staff-to-client ratio of approximately 1:5. Total funding for fiscal year 1981-82 is proposed as follows:

283 enrollees X \$684 per quarter X 4 quarters = \$774,288

Preschool programs would be required to service clients with a staffing ratio of approximately 1:6. Total funding for fiscal year 1981-82 is proposed as follows:

113 enrollees X \$570 per quarter X 4 quarters = \$257,640

The total cost of the proposed program would be \$1,444,728 for fiscal year 1981-82. This represents approximately an 8 percent increase over the amount currently in the Community Training Centers' work program for payments to Centers during fiscal year 1980-81.

The proposal to the 1979 Legislature for unit funding is no longer being requested. The subcommittee was told that the cash flow problems of Community Training



ROBERT LIST
GOVERNOR

STATE OF NEVADA
DIVISION OF MENTAL HYGIENE
AND MENTAL RETARDATION

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JEROME GRIEPENTROG
ADMINISTRATOR

KEN SHARIGIAN, PH.D.
MENTAL HEALTH

JACK MIDDLETON
MENTAL RETARDATION

October 14, 1980

MEMORANDUM

TO: Ed Schorr, Deputy Fiscal Analyst, Legislative Counsel
Bureau

FROM: Jack Middleton, Associate Administrator

RE: Community Training Center Program
Residential Placement Fund

The proposed Community Training Center budget provides for three levels of program funding. The 1981-83 biennium budget represents something of a departure from past budgets in two features. The first departure results from the creation of a new funding category. The funding category is labeled "preworkshop" and is designed to channel significant funding into more intensive staffing and training for the severely or profoundly retarded and multiply handicapped individuals. We are asking for a funding rate of \$1200 per quarter for 86 individuals in FY 81-82. Along with the money will go a CTC program requirement that individuals with this funding will receive training under a 1:3 staff to client ratio. Each new unit of three clients would represent increased funding of \$14,400 to a CTC site. Our argument for this increased funding is based on the documented need for 1:1 training as part of a successful habilitation effort for clients with severe levels of retardation. Also, by targeting individuals for this funding who are at the Sierra Developmental Center and the Desert Developmental Center but are not currently receiving CTC services, a second supportive argument emerges. This second argument is one which should be appealing both to CTC programs and to fiscally responsible legislators. Three levels of funding based on client needs, as opposed to our current procedures, are as follows:

Preschool: \$570/client/quarter FY 81-82
\$627/client/quarter FY 82-83
1:6 staff to client ratio

Regular: \$684/client/quarter FY 81-82
\$752/client/quarter FY 82-83
1:5 staff to client ratio

Prewriteshop: \$1200/client/quarter FY 81-82 35.
\$1320/client/quarter FY 82-83
1:3 staff to client ratio

October 14, 1980

Page 2

The per client funding concept was maintained because of Title XX reimbursement requirements. For example, preschool programs translate to \$570/client X 4 quarters/year X 1:6 staffing ratio = \$13,680 per staff unit.

The second major departure is not much financially, but does represent a substantial programmatic shift. For fiscal year 81-82 we have asked for \$6500 in consultant time to provide a survey of assembly, electronics, and packaging industries in Nevada and the surrounding regions. For fiscal year 82-83 we have asked for \$17,600 to hire two contract people in Las Vegas and Reno whose responsibility will be contract procurement for CTC program sites. Obviously such a program cannot be completely created in a short time frame such as a single biennium. Equally obvious is that if we do not move in the described direction there is no hope of shifting any significant amount of our centers' funding to other than state sources. The CTC program will take as foundation of its programmatic efforts, the goal of reducing the need for state appropriated funds by supplanting them with contract income from the private sector.

The Residential Placement Fund account provides the main financial resource for the operation of the Division of Mental Hygiene and Mental Retardation placement of mentally retarded citizens in a community living program. This account pays for all non-institutional placements of individuals outside of their natural family home. The Residential Placement Program has become a major program service offered by the Division and has played an integral role in decreasing the institutionalized population. Continued program growth during the next biennium is estimated by bringing the number of clients served from 125 in July, 1981 to 100 in July, 1982 (\$450/month for the first year and \$513/month for the second year). It also includes funds for respite care and administrative costs. Major emphasis will be the transfer of 25 existing beds and the establishment of 35 new beds as ICF/MR (Intermediate Care Facility for the Mentally Retarded).

The state's increasing population and resultant increase in the number of mentally retarded being served throughout state operated programs is largely being cared for through the use of developmental and group homes. Over the next two and one-half years, clients involved with this program will come from residential facilities in each region and homes where mentally retarded individuals are now residing (where the

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parent may have died leaving no placement for the mentally retarded person except the institution or developmental or group home).

ICF/MRs funding can be applied to the group homes served by this program. The Division is proposing the use of state funds for start up money to establish ICF/MR programs, 15 beds or less, to further meet the residential needs. Programs being considered as ICF/MR's must be totally operational before they can be certified. At the time of certification, the operating cost would be Title XIX reimbursable utilizing 50% federal dollars and 50% state dollars. The Division is proposing the conversion of 25 existing beds and the establishment of 35 additional beds. The start up is being proposed at 10 additional group homes at \$15,000/group home = \$150,000. These funds are being proposed as a low interest loan which will be repaid to the Residential Placement Fund over a five year period under the building cost related category of the Title XIX payment. TOTAL = \$105,000 for FY 81-82 and \$45,000 for FY 82-83.

JM/dw

Centers have been substantially alleviated by switching to a monthly reimbursement plan. Federal social services money would be more difficult to administer under the unit funding system because the payments must be related to a specific service delivered to a specific eligible client.

The proposed payment for each level of care is based on staff costs as follows:

Preworkshop \$1,200 X 4 quarters X 3 clients per staff
 = \$14,400 per unit.

Work Activity \$684 X 4 quarters X 5 clients per staff =
 \$13,680 per unit.

Preschool \$570 X 4 quarters X 6 clients per staff =
 \$13,680 per unit.

Staff units for preworkshop programs would be paid a higher rate since greater experience and training is required to serve lower functioning individuals.

Subcommittee Findings and Recommendations

1. The amount of funding of Community Training Centers should be related to the level of care they provide as a means of encouraging them to provide services to lower functioning clients.
2. The amount of payment to Community Training Centers should be related to the staffing requirements for the three levels of care as proposed to the subcommittee: preworkshop programs, work activity centers, and preschool programs.

These recommendations are embodied in the proposal presented to the subcommittee by the Division of Mental Hygiene and Mental Retardation. The cost of implementation is a modest increase in payments to Community Training Centers. The subcommittee believes that the potential cost benefit of better community services as an alternative to institutionalization more than justifies the adoption of the proposal.

APPENDIX A

FOSTER HOME CARE

This program provides care and services to children who for some reason (neglect, abandonment, abuse, domestic problems, etc.) must be cared for outside their own home. The children in this program become the Welfare Division's responsibility by court order, written agreement with the parents or guardians or by referral from juvenile courts or law enforcement agencies. The Welfare Division provides pre-placement, placement and post-placement services.

Funding for foster care services is from ADC-FC funds and FIC (Foster and Institutional Care). The foster care budget for 1980 is \$1,377,500. The amount of State money is \$926,500 and the amount of Federal money is \$301,000.

LEGAL RESPONSIBILITIES

NRS Chapter 432, the Public Child Welfare and Youth Services, authorizes the Division to accept custody of children for placement in foster homes, group care facilities, or homes of relatives other than parents. NRS Chapter 62, 62.310 states that the juvenile court may utilize the services of the State Welfare Division. The Federal Social Security Act makes it mandatory for the state to provide foster care services where needed to ADC families.

NRS 62, the Juvenile Court Act defines 3 classifications of children that come within the purview of the juvenile court.

- A. Neglected - Abandoned by parents or is without proper parental care and control, substance, education, medical or other care or control necessary for his well-being because of the faults or habits of his parents, guardians or other custodian or their refusal or neglect, when able to do so, to provide them, or when his parents, guardians or other custodian are unable to discharge their responsibilities to and for the child because of incarceration, hospitalization or other physical or mental incapacity, or the child has been placed for adoption in violation of the law.
- B. Child in Need of Supervision - Child is habitually truant or habitually disobeys the reasonable and lawful demands of his parents or the child deserts, abandons or runs away from his home.
- C. Delinquent - Child has committed a delinquent act designated a crime under the law of the State of Nevada or violates the conditions or terms of court order determining he is a child in need of supervision.

FOSTER CARE GOALS

The development and implementation of a permanent home for the child is the primary goal of foster care services. Rehabilitation of the child's own home is the first objective toward achieving that goal. The goal is that each child will have a permanent family by the time he has been in the Division's custody for two years.

Note: Provided to the subcommittee by the State Welfare Division, October 1979.

SPECIAL CONTRACT CARE

The objective of this program is to provide an alternative to institutional placement for selected children. Due to the inadequacy of conventional family care in handling some foster children, there are cases which must be sent to costly out-of-state schools, or which many times enter a cycle of unsuccessful placements with the State Children's Home, training centers, Welfare foster care, Youth Parole and Mental Health. With special contract funds the Welfare Division contracts for, and trains professional foster parents who specialize in the handling of particularly difficult cases in a family setting. A team approach involving the foster parents and social workers is emphasized with the goal being a high standard of care. It is felt that this program aids in keeping the number of expensive institutional placements stable. Twenty-five homes each year at \$500 per home per month have been authorized for Fiscal Year 1980 and increased to \$540 per month in Fiscal Year 1981 plus an amount for training. This item is to be funded 75% by Federal Social Services money. Maintenance costs for foster children under the program are included in foster care.

EMERGENCY SHELTER CARE

In all counties except Nye, Esmeralda, Washoe and Humboldt, services and medical coverage are provided to children in emergency shelter care. A child who can not be maintained in his own home because he is in clear and present danger of abuse, neglect or exploitation is placed in emergency shelter care. Emergency shelter care is short-term care (usually not to exceed 30 days) until long range plans can be made for the child.

The payment rate for emergency shelter care is \$15 per day per child 0 through 12 years and \$20 per day per child age 13 and over.

Clothing can be purchased if deemed necessary. The maximum being \$35.

Payment can be allowed and paid for if it is other than local.

In Clark County a retainer fee of \$50 per bed per month is allowed to insure availability of needed beds. If the bed is unoccupied for 3 consecutive months the retained fee is discontinued until the bed is used again.

PAYMENT RATES

I. MONTHLY RATE

AGES	BOARD AND CARE	+	PERSONAL INCIDENTAL
0-12	178		6 = 184
13 and over	215		11 = 226

Personal incidentals used for recreation and personal needs.

II. SCHOOL ALLOWANCES - Made for any child 5 years old and over

A. Initial - Made when first placed in care

B. Ongoing - Made in August

5-12	\$ 8.00
13 and over	15.00

III. CLOTHING ALLOWANCE

- A. Initial Allowance - After inventorying the clothing of the child by the worker and foster parent the following maximum amounts may be authorized:

1.	0 through 4	\$54
2.	5 through 12	\$72
3.	13 and over	\$91

- B. Ongoing Allowances

AGE	0-4	5-12	13 and over
August	42	93	110
December	42	46	55
March	<u>42</u>	<u>46</u>	<u>55</u>
TOTAL	126.00	185.00	220.00

- C. EMERGENCY CLOTHING NEEDS

With prior authorization these needs can be met.

IV. SPECIAL FOSTER CARE RATES

For children with special needs a special rate may be requested. Documentation of these special needs is required and the rate is eligible for Federal matching. A review of the child's special needs is made every 6 months.

Payment rates are:

- | | | |
|----|-------------------|-----------------|
| A. | Moderate | \$ 30 per month |
| B. | Intensive | \$ 90 per month |
| C. | Pre-Institutional | \$150 per month |

The areas reviewed are emotional care, physical or personal care and auxiliary care.

- V. Transportation may be allowed to and from a resource facility other than medical for treatment, or for placement in another community, or to visit siblings and relatives. Rates are the same as State mileage rates.

VI. EMERGENCY FOSTER HOME CARE

When a lack of a suitable foster home placement for a child creates an emergency situation, a payment of \$10 per day to a maximum of 100 days may be made.

VII. MEDICAL COVERAGE

Foster children are covered under the SAMI program.

STATE STATISTICS (AS OF SEPTEMBER 1, 1979)

I. Children in foster homes	446
II. Children in homes of relatives or parents receiving foster care services	184
III. Children in institutions which include out-of-state and in-state institutions, medical facilities, detention facilities and Child Haven	75
IV. Children on runaway status	12
V Children in independent living status being supervised by NSW	<u>3</u>
TOTAL	720

The monthly state totals continue to increase each month.

FOSTER HOMES

All foster homes are licensed which is a method of control and regulation by which the rights and welfare of people are secured by the state.

The Welfare Division is required by law to license family foster homes, group foster homes and child placing agencies for the care of children in the state.

I. FAMILY FOSTER HOME

Facility not under the auspices of or maintained by a public agency, which provides for compensation care for a group of 1 through 6 children under 16 years of age on a 24-hour basis. The total of 6 include the foster parents' own children.

II. GROUP FOSTER HOMES

Facility maintained by any individual, partnership, firm, corporation or association which provides care on a 24-hour basis for 7-15 children under 16 years of age.

Group homes are single dwellings in which there is ongoing family life and where a couple either live in their own home or are employed as staff in a home. Group foster home care has as its primary purpose providing care and training for a group of children with special needs who cannot accept the close relationship of a foster family but who can relate to a family as part of a group.

LEGAL RESPONSIBILITY FOR LICENSING

NRS 424.010 through 424.100 relates to foster homes.

FOSTER HOMES FOR CHILDREN

424.010 "Foster home" defined. As used in NRS 424.010 to 424.100, inclusive, unless the context otherwise requires:

1. "Family foster home" means any family home in which one to six children under 16 years of age not related by blood, adoption or marriage to the person or persons maintaining the home are received, cared for, and maintained for compensation or otherwise, including the provision of permanent free care. "Family foster home" includes any such home in which such child is received, cared for and maintained pending completion of proceedings for the adoption of such child by the person or persons maintaining the home.
2. "Foster home" includes family foster home and group foster home.
3. "Group foster home" means any individual, partnership, firm, corporation or association which provides full-time care for 7 to 15 children under 16 years of age not related by blood, adoption or marriage to the person or persons maintaining or operating the home who are received, cared for and maintained for compensation or otherwise, including the provision of permanent free care.

424.020 Minimum standards; regulations of foster homes.

1. The Welfare Division of the Department of Human Resources, in cooperation with the State Board of Health and the State Fire Marshal shall:
 - a. Establish reasonable minimum standards for family foster homes and group foster homes.
 - b. Prescribe rules for the regulation of family foster homes and group foster homes.
2. All licensed family foster homes and group foster homes must conform to the standards established and the rules prescribed in subsection 1.

424.030 Licensing of foster homes.

1. No person shall conduct a family foster home or a group foster home as defined in NRS 424.010 without receiving a license to do so from the Welfare Division of the Department of Human Resources.
2. Except as provided in subsection 4, no license shall be issued to a family foster home or a group foster home until an investigation of the home and its standards of care has been made by the Welfare Division or a child-placing agency licensed by the Welfare Division.
3. Any family foster home or group foster home that conforms to the established standards of care and prescribed rules shall receive a regular license from the Welfare Division, which shall be in force for 1 year from the date of issuance. On reconsideration of the standards maintained, the license may be renewed annually.
4. When, because of an emergency situation, a child must be placed prior to completion of the licensing investigation, a family foster home or group foster home may be issued a provisional license for a period not to exceed 3 months, renewable for one additional period not to exceed 3 months. A provisional license may be issued to a foster home only after determination that the health and safety of the child or children placed therein will not be

jeopardized. If at any time during the period a provisional license is in effect, it is determined that the foster home does not meet minimum licensing standards, the provisional license shall be revoked by the placing agency. If on or before the expiration date of the provisional license, it has been determined that the foster home meets minimum licensing standards, a regular license shall be issued pursuant to the provisions of subsection 3, to be in force for 1 year from the date of issuance.

5. When a family foster home does not meet minimum licensing standards but offers values and advantages to a particular child or children and will not jeopardize the health and safety of the child or children placed therein, such family foster home may be issued a special license, which shall be in force for 1 year from the date of issuance and may be renewed annually. No foster children other than those specified on the license may be cared for in the home.
6. The license shall show:
 - a. The name of the persons licensed to conduct the family foster home or group foster home.
 - b. The exact location of the family foster home or group foster home.
 - c. The number of children that may be received and cared for at one time.
 - d. If the license is a special license issued pursuant to subsection 5, the name of the child or children for whom the family foster home is licensed to provide care.
7. No family foster home or group foster home shall receive for care more children than are specified in the license.

424.040 Inspection of foster homes. The section of child welfare services of the Welfare Division of the Department of Human Resources, or its authorized agent, shall visit every licensed family foster home and group foster home as often as is necessary to assure that proper care is given to the children.

424.050 Investigation of unlicensed foster homes. Whenever the Welfare Division of the Department of Human Resources shall be advised or shall have reason to believe that any person is conducting or maintaining a foster home for children without a license, as required by NRS 424.010 to 424.100, inclusive, the Welfare Division shall have an investigation made. If the person is conducting a foster home, the Welfare Division shall either issue a license or take action to prevent continued operation of the foster home.

424.060 Removal of children from undesirable foster homes. If at any time the section of child welfare services of the Welfare Division of the Department of Human Resources shall find that a child in a foster home is subject to undesirable influences or lacks proper or wise care and management,

the section shall notify any agency or institution that has placed the child in the home to remove the child from the home. If the child is in a foster home where he has been placed by his parents, relatives or other persons, independently of an agency, the section shall take necessary action to remove the child and arrange for his care.

424.090 Applicability of NRS 424.010 to 424.100 inclusive. NRS 424.010 to 424.100, inclusive, shall not apply to homes in which:

1. Care is provided only for a neighbor's or friend's child on an irregular or occasional basis for a brief period of time, not to exceed 90 days.
2. Care is provided by the legal guardian.
3. Care is provided for an exchange student.
4. Care is provided to enable a child to take advantage of educational facilities that are not available in his home community.
5. Any child or children are received, cared for and maintained pending completion of proceedings for adoption of such child or children, except as provided for in NRS 127.280.

424.100 Penalties. Any person who violates any of the provisions of NRS 424.010 to 424.100, inclusive, is guilty of a misdemeanor.

NUMBER OF LICENSED HOMES

I. Carson City

A.	Family Foster Homes	14
B.	Group Homes	3
C.	Emergency Only Homes	<u>2</u>
	TOTAL	19
D.	Number of Children able to Accommodate	66

II. Elko

A.	Family Foster Homes	25
B.	Emergency Only	<u>1</u>
	TOTAL	26
C.	Number of Children able to Accommodate	60

III. Ely

A.	Family Foster Homes	6
B.	Emergency Only	<u>3</u>
	TOTAL	9
C.	Number of Children able to Accommodate	18

IV. Fallon

A.	Family Foster Homes	<u>24</u>
	TOTAL	24
B.	Number of Children able to Accommodate	45

V. Hawthorne

A.	Family Foster Homes	<u>18</u>
	TOTAL	18
B.	Number of Children able to Accommodate	38

VI. Henderson

A.	Family Foster Home	34
B.	Emergency Only Homes	<u>1</u>
	TOTAL	35
C.	Number of Children able to Accommodate	69

*In many of the above district offices, some of the family homes will also accept emergency placements.

VII. Las Vegas

A.	Family Foster Homes	128
B.	Group Homes	3
C.	Emergency Only	11
D.	Specialized Foster Homes	<u>12</u>
	TOTAL	154
E.	Number of Children able to Accommodate	347

VIII Reno

A.	Family Foster Homes	65
B.	Group Homes	4
C.	Specialized Foster Homes	<u>4</u>
	TOTAL	73
D.	Number of Children able to Accommodate	203

IX. Winnemucca

A.	Family Foster Homes	<u>5</u>
	TOTAL	5
B.	Number of Children able to Accommodate	13

TOTALS

	Family Foster Homes	319
	Group Homes	10
	Emergency Only Homes	18
	Specialized Homes	<u>16</u>
	TOTAL	363
	Number of Children able to Accommodate	821

OTHER HOMES LICENSED BY NSW D FOR OTHER AGENCIES

MENTAL HEALTH		<u># ACCOMMODATIONS</u>
1 - Reno	Family Home	6
1 - Elko		1
1 - Elko		1
1 - Elko		2
1 - Henderson		5
1 - Elko		4
DESERT DEVELOPMENTAL CENTER		
1 - Las Vegas		1
1 - Las Vegas		4
1 - Las Vegas		2
1 - Las Vegas		1
1 - Las Vegas		5
1 - Las Vegas		2
1 - Las Vegas		3
1 - Henderson		2
1 - Henderson		1
1 - Henderson		1
1 - Las Vegas		3
SIERRA DEVELOPMENTAL CENTER		
1 - Reno		6
1 - Reno		2
1 - Reno		2

APPENDIX B

Community Training Center:

Funding Proposal Summary

The Community Training Centers (CTC) Program grants financial aid to private non-profit corporations which provide all or part of the following services for mentally retarded persons in Nevada, not served by existing programs: pre-school and day care; pre- and vocational evaluation, training and adjustment; social skills training; recreation; therapy; counseling; job placement and follow-up; sheltered employment; academic training and residential living. Additionally, the CTC's provide a mechanism for the process of normalization through community involvement and present a viable alternative to institutionalization by providing individual and family training designed to assist mentally retarded persons in becoming useful and productive citizens.

CTC grant funds from the Division of Mental Hygiene and Mental Retardation may be used to subsidize staff salaries and related costs, and a percentage of operational expenses.

The CTC program was established in 1969 with the enactment of NRS 435.130 to 435.320 inclusive. The funding rate from 1969 to 1975 was \$1,000 per enrollee per year. In 1975 and 1976 the rate was \$1,400 per enrollee per year. The 1977-78 rate was \$1,600 per enrollee per year. The 1978-79 rate was \$1,868 per year and the current funding rate (1979-80) is \$2,216 per enrollee per year. In FY 78-79, the average annual cost per client for each Center was \$6,983. The average annual CTC payment per client was \$1,837 (based on FY 1978-79 CTC reports). Centers must, on the average, generate an additional \$5,146 per enrollee annually in order to continue providing services. (Center by Center breakdown attached) Other primary sources of income include thrift-store sales, donations, contract income, United Way and grants.

In 1978 the Division, in cooperation with the CTC Directors, prepared a CTC funding proposal part of which would equalize CTC grant payments to comparable state level job salaries, revise the funding formula and allow for the purchase of professional consultants to augment each Center's program. A comparative review between CTC staff job descriptions and state of Nevada job specifications revealed a high correlation between the two. Based on CTC regulated staff-to-client ratios and on entry level salaries commensurate with comparable state positions a unit method of funding was developed.

For example, a sheltered workshop center with five to ten enrollees would be required to have two staff whose skills and responsibilities were comparable to a Vocational Trainer II and a Mental Health Technician II. That Center would be funded a "unit" to provide sufficient salaries for those two positions. A Center with eleven to eighteen enrollees would be required to have three staff, a Vocational Trainer II and two Mental Health Technician II's. The unit of funding for that program would provide sufficient funding for those three positions. Also included in the unit funding was a provision for social workers, one-half time for each

Provided to the subcommittee by the Division of Mental Hygiene and Mental Retardation.

Funding Proposal Summary (cont.)

2.

25 enrollees. The base unit funding rate would then be multiplied by 25% for fringe and administrative costs (see Attachment #2).

This method of funding would allow each Center to compete with state agencies for potential staff, would allow Center's population to fluctuate without detrimentally affecting funding and would allow Centers to recruit higher qualified staff. Each Center would be expected to provide their own facility and operational costs.

The proposed budget for implementation of this program for adult Centers for FY 79-80 was \$1,412,659.00. The concepts of this funding proposal had the support of the Governor's Mental Hygiene and Mental Retardation Advisory Board, the Nevada Association for Retarded Citizens, the Bureau of Vocational Rehabilitation, the Department of Education - Office of Accountability, and Division of Health-Special Children's Clinics.

The Legislative Commission of the Legislative Counsel Bureau reviewing the Division of Mental Hygiene and Mental Retardation in their August, 1978 report recommended careful review of this proposal (see Recommendation No. 16, Attachment #3).

Copies of the entire CTC funding proposal are available for further review.

Attachment #1

CTC Total Staff and Operating Expenses FY 78-79

Costs Per Client, CTC Grant Payments

	Average annual enrollment FY 78-79	Total Center staff-operating expenses	Annual cost per client	CTC annual grant payment	Difference between CTC grant and center expenses	Projected/ proposed 79-80 CTC unit payment
Alpha Production Technologies	13	\$76,036	\$5,849	\$23,289	\$52,747	\$66,747.50
CSA Headstart *	5	19,390	3,878	18,680	710	--
Elko A.R.C.	12	37,340	3,112	20,933	16,407	41,883.75
I.T.C. Headstart *	11	50,319	4,574	22,416	27,903	--
White Pine Co. Rehab. Center	7	20,334	2,905	18,680	1,654	29,863.75
Freeport Assembly Services & Training	38	92,030	2,422	65,654	26,376	91,925.63
Fallon Industries	10	64,911	6,491	18,680	46,231	29,863.75
Panaca CTC *	5	20,140	4,028	18,680	1,460	--
Mineral Co. * Workshop	7	24,980	3,569	18,680	6,300	29,863.75
Omsby A.R.C. *	24	126,979	5,291	39,702	87,277	53,977.75
Opportunity Village Industries	144	1,402,641	9,740	264,180	1,138,461	298,289.38
Southern Nev. Assoc. for the Handicapped	16	64,577	4,036	30,637	33,940	78,767.50
Washoe Industries (WARC)	68	817,789	12,026	96,265	721,524	153,987.50
Zion Methodist * Day Nursery	60	115,185	1,919	115,185	--	--
TOTALS	420	2,932,651	69,840	771,662	2,160,989	721,262.74

Average annual cost per client = \$6,983; Average annual CTC payment per client = \$1,837; Average annual unit CTC payment per client = \$2,581.

* Data for CTC grant payment has not been calculated at this time

Attachment #2

STAFF DISTRIBUTION FOR PROPOSED CTC FUNDING

Pre-Work Programs 1:3 Ratio

<u>#Enrollees</u>	<u>#Staff</u>
5-9	1 Psy-I, 2 MHT-II
10-12	1 Psy-I, 3 MHT-II
13-15	1 Psy-I, 4 MHT-II
16-18	1 Psy-I, 5 MHT-II
19-21	1 Psy-I, 6 MHT-II
22-24	2 Psy-I, 6 MHT-II, 1/2 SW-I
25-27	2 Psy-I, 7 MHT-II, 1/2 SW-I
28-30	2 Psy-I, 8 MHT-II, 1/2 SW-I

Sheltered Workshop Programs 1:8 Ratio

<u>#Enrollees</u>	<u>#Staff</u>
5-10	1 Voc Trnrs-I, 1 MHT-II
11-13	1 Voc Trnrs-I, 2 MHT
19-26	1 Voc Trnrs-I, 3 MHT
27-34	1 Voc Trnrs-I, 4 MHT, 1/2 SW-I
35-42	2 Voc Trnrs 4 MHT, 1/2 SW
43-50	2 Voc Trnrs 5 MHT, 1/2 SW
51-58	2 Voc Trnrs 6 MHT, 1 SW-I
59-66	2 Voc Trnrs 7 MHT, 1 SW
67-74	3 Voc Trnrs 7 MHT, 1 SW
75-82	3 Voc Trnrs 8 MHT, 1-1/2 SW-I
83-90	3 Voc Trnrs 9 MHT, 1-1/2 SW
91-98	3 Voc Trnrs 10 MHT, 1-1/2 SW
99-106	4 Voc Trnrs 10 MHT, 2 SW-I
107-114	4 Voc Trnrs 11 MHT, 2 SW
115-122	4 Voc Trnrs 12 MHT, 2 SW
123-130	4 Voc Trnrs 13 MHT, 2-1/2 SW
131-138	5 Voc Trnrs 13 MHT, 2-1/2 SW
139-146	5 Voc Trnrs 14 MHT, 2-1/2 SW
147-154	5 Voc Trnrs 15 MHT, 3 SW
155-162	5 Voc Trnrs 16 MHT, 3 SW
163-170	6 Voc Trnrs 16 MHT, 3-1/2 SW
171-178	6 Voc Trnrs 17 MHT, 3-1/2 SW
179-186	6 Voc Trnrs 18 MHT, 3-1/2 SW
187-194	6 Voc Trnrs 19 MHT, 3-1/2 SW
195-202	7 Voc Trnrs 19 MHT, 4 SW
203-210	7 Voc Trnrs 20 MHT, 4 SW
211-218	7 Voc Trnrs 21 MHT, 4 SW
219-226	7 Voc Trnrs 22 MHT, 4-1/2 SW
227-234	8 Voc Trnrs 22 MHT, 4-1/2 SW
235-242	8 Voc Trnrs 23 MHT, 4-1/2 SW
243-250	8 Voc Trnrs 24 MHT, 5 SW

Attachment #3

Recommendation No. 16

Legislative Commission of the Legislative Counsel Bureau Review
of the Division of Mental Hygiene and Mental Retardation August,
1978 Report

Substantially increase funding for the community training centers.

The subcommittee believes that increased emphasis should be placed on the community training centers for providing services to the mentally retarded. These centers offer both unique and effective programs. The dedication and hard work provided by those who operate these nonprofit programs is not easily duplicated.

The division in cooperation with the community training centers has been reexamining the funding formulas for the CTC's. The subcommittee believes that the legislature should carefully review these new proposals when they are completed and presented to the 1979 legislative session.