

Legislative Committee on Children, Youth and Families



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LEGISLATIVE COMMITTEE ON CHILDREN, YOUTH AND FAMILIES

Nevada Revised Statutes 218.53723

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SUMMARY OF RECOMMENDATIONS

LEGISLATIVE COMMITTEE ON CHILDREN, YOUTH AND FAMILIES

Nevada Revised Statutes 218.53723

This summary presents the recommendations approved by the Legislative Committee on Children, Youth and Families. The Committee submits the following proposals for consideration by the 73rd Session of the Nevada Legislature:

FUNDING AND STRUCTURE OF THE CHILD WELFARE SYSTEM

1. Development of a Funding Formula and Transfer of Responsibility for Higher Levels of Care – Draft legislation requiring the Division of Child and Family Services, Department of Human Resources, to develop a plan for funding child welfare services that includes a proposal for transferring responsibility of higher levels of care (generally defined as levels above family foster care) from the State to Clark and Washoe Counties. The plan must be submitted to the Legislative Committee on Children, Youth and Families, the Interim Finance Committee, and the Office of the Governor on or before August 1, 2006. In addition, revise the sunset for the Committee on Children, Youth and Families, from June 30, 2005, to June 30, 2007. **(BDR 38-666)**
2. Unit to Maximize Collection of Federal Revenue – Include a statement in the Committee's final report supporting the Division of Child and Family Services' (DCFS) plan to develop a cost allocation unit to maximize collection of federal revenue. The Committee recommends that unit be funded entirely with federal revenue, as the unit's purpose is to augment this source of funding.

PROVIDERS OF CERTAIN CHILD WELFARE SERVICES

3. Performance Based Contracting – Include a statement in the Committee's final report supporting the DCFS plan for a rate increase for contract group home providers, and to implement performance-based contracting.
4. Medicaid Providers – Send a letter to the Director of the Department of Human Resources urging him to designate a person to be responsible for ensuring that issues involving Medicaid coverage for abused or neglected children, including payment for providers, are addressed appropriately. The designated person should serve as the primary contact for inquiries from Medicaid providers involving children in the custody of a child welfare agency. Further, the designated person should be responsible for determining the number of Medicaid providers needed to serve the needs of children in the custody of a child welfare agency, and should report any shortages to the Director of the Department.

SUPPORT OF CHILDREN AGING OUT OF FOSTER CARE

5. Evidence of a Transition Plan – Draft legislation to require child welfare agencies to develop a transition plan in consultation with the youth that includes (without limitation) assisting the youth in obtaining the following:
- A Social Security card;
 - A Nevada identification card or driver's license;
 - A work card, if applicable;
 - Health care coverage;
 - Social Security Disability approval, if applicable; and
 - An agreement with the Division of Mental Health and Developmental Services for housing and other services, if applicable.

In addition, the agency must inform the youth of the assistance available under NRS 423.137 (Assembly Bill 94 [Chapter 603, *Statutes of Nevada 2001*] funds) and include with the transition plan a copy of an application for the funds for the items the child needs. Finally, the child welfare agency must present the finalized transition plan to the court. **(BDR 38-667)**

6. Continued Services for Foster Youth - Redraft legislation from the 2003 Legislative Session to allow DCFS to continue to provide services to foster care children past the age of 18 years in certain circumstances (See Assembly Bill 25, as introduced). Send a letter to Governor Kenny C. Guinn urging the inclusion of the funds necessary for this recommendation in The Executive Budget for the 2005-2007 biennium. **(BDR 38-667)**
7. Extended Medicaid Coverage - Redraft legislation from the 2003 Legislative Session requiring the Director of the Department of Human Resources to include in the State Plan for Medicaid a requirement that young adults who have “aged out” of foster care are eligible for Medicaid (See Assembly Bill 5, as introduced). Send a letter to Governor Kenny C. Guinn urging the inclusion of the funds necessary for this recommendation in The Executive Budget for the 2005-2007 biennium. **(BDR 38-668)**

MENTAL HEALTH SERVICES

8. Provision of Services to Severely Emotionally Disturbed Children – Include a statement in the report supporting the DCFS plan to convert the Wrap-around in Nevada (WIN) program to a state program with appropriate infrastructure, including supervisors, case managers, clerical support, and operating costs.

9. Rate Structure for Higher Levels of Care - Include a statement in the report supporting an overhaul of the rate structure for higher levels of care. Note in the report, however, that the support of the members of the Committee may be withdrawn depending upon estimated fiscal impact to the State, which was not provided prior to the August 12, 2004, work session. Encourage child welfare agencies to initiate an examination of the rate structure for higher levels of care for the purpose of recommending a change in the rate structure to the Governor and to the 2005 Legislature.
10. Responsibility for Mental Health for Children – Draft legislation to transfer all responsibilities for mental health from DCFS to the Division of Mental Health and Developmental Services. Responsibilities to transfer include (but are not limited to) clinical services provided by therapeutic foster families. Require that discharge planning commence immediately upon admission to a facility and that a child be released to an appropriate placement no later than 48 hours after they have stabilized and are no longer in need of treatment. **(BDR 39-669)**
11. Expanded Services for Severely Emotionally Disturbed Children - Include a statement in the report supporting the expansion of services for severely emotionally disturbed children to include children across the child welfare system and not just those in foster care. Note in the report that the support of the members of the Committee for the recommendation may be contingent upon estimated fiscal impact to the State, which was not provided by the agencies at the time of the work session.

ADDITIONAL RECOMMENDATIONS RELATING TO THE OPERATION AND OVERSIGHT OF THE CHILD WELFARE SYSTEM

12. Siblings in the Child Welfare System – Draft legislation to add a presumption to *Nevada Revised Statutes* that it is in the siblings' best interests to be placed together. In addition, require that the child welfare agency's semiannual report (required by NRS 432B.580) include the following: **(BDR 38-670)**
 - A detailed report on the placement of the child in relation to his or her siblings, including any separation of the siblings and the reasons for the separation;
 - The efforts by the agency to place the siblings together that includes the reasons the siblings are not currently placed together.
 - The actions taken by the agency to maintain contact between the siblings.
 - A plan for visitation if the siblings are not placed together that must be approved by the court. Once a visitation plan is approved, the child welfare agency must request a court order for visitation, which is subject to contempt of court for a violation.

13. Fast Track Parental Rights Cases – Draft legislation to require that termination of parental rights cases be “fast tracked” by the courts to achieve a final decision within six months. In addition, send a letter on behalf of the Committee to the Nevada Supreme Court requesting the Court to consider changing the necessary court rules to allow “fast tracking” of parental rights cases. **(BDR 11-671)**
14. Rights of Foster Children – Draft legislation setting forth the “rights” of children in foster care, including the following concepts: **(BDR 38-672)**
 - To live in a safe, healthy, and comfortable home where he or she is treated with respect.
 - To be free from physical, sexual, emotional, or other abuse, or corporal punishment.
 - To receive adequate and healthy food, adequate clothing, and, for youth in group homes, an allowance.
 - To receive medical, dental, vision, and mental health services.
 - To be free of the administration of medication or chemical substances, unless authorized by a physician.
15. Sharing of Identifying Information for Research Purposes: Draft legislation creating an exception to the requirement to remove all identifying information. The exception would authorize the sharing of data or information concerning reports or investigations with a person engaged in bona fide research or an audit under the following conditions: **(BDR 38-673)**
 - The identifying information must be maintained confidentially by the person to whom it is released for research or audit purposes;
 - The identifying information is essential to the purpose of the research or audit; and
 - Each person identified in the record or an authorized representative has authorized such disclosure in writing.
16. Increase Daily Foster Care Rate - Include a statement in the report supporting an increase in the daily foster care rate to \$30 per day across the State. Note in the report that the support of the members of the Committee for the recommendation may be contingent upon estimated fiscal impact to the State, which was not provided by the agencies at the time of the work session.
17. Respite Care - Include a statement in the report supporting foster parent respite care to allow foster parents 14 days of respite per fiscal year at a rate of \$30 a day. Note in

the report that the support of the members of the Committee for the recommendation may be contingent upon estimated fiscal impact to the State, which was not provided by the agencies at the time of the work session.

18. Foster Care Review Boards – Send a letter to the Director of the Department of Human Resources and the Administrator of the Division of Child and Family Services urging the establishment of a pilot program for voluntary foster care review boards.

ADOPTION

19. Access to Medical Information – Draft legislation establishing a procedure for birth parents to provide updated medical information or family history of medical problems to the district court. Require the district court to work confidentially through the appropriate adoption agency to try to locate the adopted child and provide the updated medical information to the adopted child or the child's adoptive parents if the child is still a minor. The information must be provided without exchanging any identifying information. No fee will be charged to the birth parent for providing the information. **(BDR R-883)**
20. State Register and Access to Medical Information – Draft legislation to require the State Register for Adoptions to attempt to contact an adopted child (or the child's adoptive parents if the child is still a minor) when the Register receives updated medical history information from a birth parent. Such contact must only be for the purpose of relaying updated medical information and must not involve the release of identifying information, except as currently authorized by statute. **(BDR 11-674)**
21. Create New Program for Post-Adoption Services - Include a statement in the report supporting the development and funding of post-adoption services programs across the State. Note in the report that the support of the members of the Committee for the recommendation may be contingent upon estimated fiscal impact to the State, which was not provided by the agencies at the time of the work session.

**REPORT TO THE 73rd SESSION OF THE NEVADA LEGISLATURE
BY THE LEGISLATIVE COMMISSION'S
COMMITTEE ON CHILDREN, YOUTH AND FAMILIES**

I. INTRODUCTION

The Legislative Committee on Children, Youth and Families, in compliance with *Nevada Revised Statutes* (NRS) 218.5372 through 218.53727, is responsible for studying and commenting on a broad range of issues relating to the provision of child welfare services in Nevada. The Committee was created in 2001 under Assembly Bill 1 (Chapter 1, *Statutes of Nevada*, 17th Special Session), which provided for the integration of child welfare services in Clark and Washoe Counties. One of the Committee's primary responsibilities is to oversee this integration. The Committee is scheduled to sunset on June 30, 2005. (See Appendix A for a copy of NRS 218.53723.)

The Committee held a total of five meetings, including a work session, during the course of the 2003-04 interim. All meetings were open to the public and conducted through simultaneous videoconferences between legislative meeting rooms at the Grant Sawyer State Office Building in Las Vegas and the Legislative Building in Carson City. The Committee also created two subcommittees to review issues involving Kinship Care and Adoption, respectively. Each subcommittee met once during the 2003-04 interim. The reports from the two subcommittees are provided under Appendix B.

Throughout the course of the study, the Committee received testimony from the Department of Human Resources (DHR), the DHR's Division of Child and Family Services (DCFS), and child welfare agencies in Clark and Washoe Counties identifying issues for the Committee's review or problems to be resolved with regard to the integration of the child welfare system. Progress reports were presented at each meeting from Clark County where October 1, 2004, was the targeted date for completing integration. Integration was achieved in Washoe County in January 2003. Further, the Committee requested and evaluated information from the Department and the child welfare agencies regarding mental health services provided to children within the child welfare system. Additional child welfare issues were also identified for review by foster care providers, child advocates, members of the public, and other interested persons.

At the final meeting, the Committee adopted 21 recommendations, including 11 that will be combined into bill draft requests (BDRs) for consideration by the 2005 Legislature. The recommendations address a variety of topics, including the following: an extension of the date on which the Committee on Children, Youth and Families is scheduled to sunset; the funding and organization of the child welfare system; assistance for children "aging out" of the foster care system; mental health services for children within the child welfare system; rights of foster children and placement of foster children with siblings; post-adoptive services programs; and access to medical information by adoptees.

Senator Raymond D. Rawson served as the Chairman of the Committee, and Assemblywoman Barbara E. Buckley served as the Vice-Chairwoman. The following eight legislators also served on the Committee during the 2003-04 interim:

Senator Maggie A. Carlton
Senator Bernice Mathews
Senator Maurice E. Washington
Senator Valerie Wiener
Assemblyman John C. Carpenter
Assemblywoman Chris Giunchigliani
Assemblywoman Sheila Leslie
Assemblyman Rod Sherer

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II. REVIEW OF COMMITTEE FUNCTIONS

The primary responsibilities of the Committee on Children, Youth and Families are established pursuant to NRS 218.53727, which directs the Committee to study and comment on the following issues relating to the child welfare system in Nevada:

- Programs for the provision of child welfare services;
- Licensing and reimbursement of providers of foster care;
- Mental health services; and
- Compliance with federal requirements, such as those under the Adoption and Safe Families Act of 1997.

In addition, Section 131 of Assembly Bill 1 of the 17th Special Session (2001) imposed on the newly-created Committee the responsibility for monitoring the transfer of duties relating to the provision of child welfare services from DCFS to the agencies in Clark and Washoe Counties that will provide these services under the integrated system required by the legislation.

III. BACKGROUND ON NEVADA’S CHILD WELFARE SYSTEM

In 1999, the Nevada Legislature created an interim subcommittee to examine the bifurcation of child welfare functions between the State and Clark and Washoe Counties, and to determine the most appropriate manner in which to integrate the system (Assembly Concurrent Resolution No. 53, File No. 141, *Statutes of Nevada 1999*). During the course of its study, the A.C.R. 53 Subcommittee found that children were not served well by the bifurcated system, and recommended legislation to end the bifurcation that was adopted by the 2001 Legislature. A brief history of the provision of child welfare services in Nevada and details of the A.C.R. 53 Subcommittee’s work, findings and recommendations are available in its 2001 report to the Legislature (Bulletin 01-13).

As enacted, Assembly Bill 1 from the 2001 Special Session transfers to Clark and Washoe Counties the State’s responsibility for “back-end services,” including foster care, adoption, and other related services. The two counties retain their existing responsibility for all “front-end services,” including investigations of child abuse and neglect, emergency shelter care, and short-term foster care.

Due to the magnitude and importance of the services identified to shift from the State to the two counties, a timeline for the transfer was established during the 2001 Session. However, during the 2001-03 biennium, Nevada experienced an unforeseen budget crisis. As a result, certain child welfare funding and transfers were delayed. Information regarding the work of the Committee on Children, Youth and Families during this biennium and the delays involving integration of child welfare services is available in the Committee’s 2003 report to the Legislature (Bulletin 03-15).

Federal Review of Nevada’s Child Welfare System

In February 2004, the federal government conducted its review of Nevada’s child welfare services, as required by rules adopted in 2000 by the United States Department of Health and Human Services (DHHS), pursuant to 1994 amendments to the Social Security Act. These rules require an assessment of each state for substantial conformity with certain federal requirements for child protective services, foster care, adoption, family preservation and family support and independent living services.

The new review system is administered by The Children’s Bureau, which is part of the Administration for Children and Families under DHHS. As explained by The Children’s Bureau, this system includes two review components: (1) Title IV-E foster care eligibility; and (2) Child and Family Services. According to Nevada’s DCFS, the Title IV-E Eligibility Review was conducted in October 2002, and Nevada was one of the first states to pass this review.

In its response to questions raised by the Committee for its first meeting in December 2003, DCFS explained, “The purpose of the federal government’s new Child and Family Services Review (CFSR) is not merely to ensure the state’s conformity to state plan requirements in

Titles IV-B and IV-E of the Social Security Act. This new review process is intended to be strength-based, focusing acutely on the child and family outcomes: safety, permanency and well-being.” The federal review was conducted during the week of February 23, 2004, and The Children’s Bureau issued its written report in June 2004. A copy of this report is available through DCFS (www.dcfs.state.nv.us) and in Appendix A of the Committee’s June 17, 2004, meeting packet (Volume II). A copy of the June 7, 2004, letter from Jone M. Bosworth, Administrator, Division of Child and Family Services, to the Committee includes detailed information on this topic and is provided under Appendix C of this bulletin.

As noted in the report’s Executive Summary, the CFSR “assesses state performance on seven child welfare outcomes pertaining to the children’s safety, permanency, and well being and on seven systemic factors related to the State’s capacity to achieve positive outcomes for children and families.” The CFSR found Nevada was not in substantial conformity with the seven child welfare outcomes, but was in substantial conformity with four of the seven systemic factors (Statewide Information System; Training; Agency Responsiveness to the Community; and Foster and Adoptive Parent Licensing, Recruitment, and Retention). It may be of interest to note that Nevada was one of the last states to undergo the CFSR and, no state had passed the review in its entirety at the time of Nevada’s review.

As required by federal law, in response to the CFSR, DCFS prepared a Program Improvement Plan (PIP), which was submitted to DHHS on August 30, 2004. At the time of writing this report, the DCFS and DHHS were in the process of reviewing and revising the PIP. Penalties may be assessed against a state for non-compliance, but these penalties are suspended during the implementation of the PIP. An overview of the CFSR process prepared by DCFS, including the potential penalties, is available in the Committee’s December 16, 2003, meeting packet (Tab IIIA, pages 34-37).

IV. FINAL RECOMMENDATIONS OF THE COMMITTEE

At its work session on August 12, 2004, the Committee adopted 21 recommendations, including eleven recommendations to be combined into bill drafts for consideration by the 2005 Legislature. Extensive information regarding the work of the Committee is contained in its minutes and exhibits, which are available on the Legislature’s Web site at www.leg.state.nv.us. An overview of the recommendations adopted as a result of the Committee’s work during the 2003-04 interim follows. The child welfare agencies, including DCFS, provided extensive, valuable information to assist the Committee throughout the course of the interim, and their letters to the Committee are cited frequently in the following overview.

A. Funding of Child Welfare Services

As required by Assembly Bill 1 of the 17th Special Session (2001), DCFS, in consultation with Clark and Washoe Counties, developed a plan for funding the provision of child welfare services in Nevada and submitted the plan to the Committee in 2002. The recommended plan involved a “swap” of the two counties’ responsibility for the costs of the Medicaid long-term care programs with the state’s responsibility for all “back-end” costs within the child welfare system relating to salaries, benefits, and operating. Assembly Bill 1 required the 2001-02 Committee on Children, Youth and Families to transmit the plan to the Interim Finance Committee and the Governor for consideration by November 15, 2002. Detailed information regarding the proposed swap is available in the Bulletin 03-15.

After much consideration, the Governor did not endorse, and the 2003 Legislature did not adopt, the proposed plan for funding child welfare services in the future. Funding was appropriated for child welfare services statewide, and money was designated in the Child Welfare Integration Budget (101-3142) for ongoing costs in Clark and Washoe County. An overview of the legislatively approved funding for child welfare services in the 2003-05 biennium is available under Appendix D. Additional information regarding the plans for the future funding of child welfare services at the close of the 2003 Legislature is presented in a letter from Governor Kenny C. Guinn to the Nevada Legislature at the close of the 2003 Session, a copy of which is also included in Appendix D.

Although the Department of Human Resources, the DCFS, and the Committee worked throughout the 2003-04 interim on the issues related to the funding of the child welfare system, no formal recommendation of a plan for the future funding of child welfare services in the future was developed. As Michael J. Willden, Director of the Department explained in correspondence to the Committee dated July 27, 2004, “until there has been at least one year of full operational experiences, enough information does not exist to make an informed decision [regarding a funding plan].” A copy of this letter is provided under Appendix D.

Higher Levels of Care

A related issue to the development of a funding plan is the responsibility for the higher levels of care of children within the child welfare system. The state has financial responsibility for the costs associated for the higher levels of care, which involve residential services for children within the system who have an increased need for supervision, skill building, therapeutic intervention, or specialized treatment. A more detailed discussion of the different higher levels of care is provided under Tab III of the April 22, 2004, meeting packet. As Director Willden explained in his July 27, 2004, letter (Appendix D):

Nevada’s bifurcated Child Welfare System will not truly be integrated unless one agency in each region manages all levels of care. If one agency manages the front-end of the system and family foster care and another manages higher levels of care, there will always be the potential for conflict. Nevada needs to continue to work towards a truly integrated system in each region of the state. This being

noted, currently there is no consensus to transfer the management of higher levels of care to Washoe or Clark County.

Future Costs for Child Welfare Services

At the time of the Committee's August 2004 work session, DCFS was working with Clark and Washoe Counties to project the costs for child welfare services in Fiscal Years 2006 and 2007. These costs will be presented for consideration to the 2005 Legislature as part of the proposed budget for DCFS.

Recognizing the need for a comprehensive plan for the future funding of child welfare services that also addresses the costs of higher levels of care, the Committee voted to adopt the following recommendation:

Recommendation No. 1 - Draft legislation requiring the Division of Child and Family Services, Department of Human Resources, to develop a plan for funding child welfare services that includes a proposal for transferring responsibility of higher levels of care (generally defined as levels above family foster care) from the State to Clark and Washoe Counties. The plan must be submitted to the Legislative Committee on Children, Youth and Families, the Interim Finance Committee, and the Office of the Governor on or before August 1, 2006. (BDR 38-666)

As part of this recommendation, the Committee recognized a need for its continuation to monitor the development of a future funding plan and to evaluate the impact of the integrated child welfare system. An additional consideration was the opportunity needed to monitor the impact of integration in Clark County, the last phase of which was not scheduled to take place until October 1, 2004. Thus, based upon these considerations, the Committee also voted to:

Revise the sunset for the Committee on Children, Youth and Families, from June 30, 2005, to June 30, 2007. (BDR 38-666)

Maximizing Federal Funds

In the process of developing its PIP in response to the CFSR, DCFS identified multiple areas for improvement, some of which may result in requests for additional funding during the 2005 Legislative Session. In letters to the Committee in July 2004, Administrator Bosworth, DCFS, on behalf of the agency, requested the Committee's support for a funding request for the development of a cost allocation unit designed to maximize the collection of federal revenue. The DCFS estimates the cost of such a unit staffed by two full-time employees to be approximately \$150,000 annually. (See Exhibits C and C1 of the August 12, 2004, meeting for copies of the letters.)

Because a significant percentage of funding for child welfare services is received from the federal government, the Committee voted to support the agency's request with the

recommendation that the unit be funded entirely with the federal revenue realized through the work of the unit. Following is the recommendation adopted by the Committee:

Recommendation No. 2 - Include a statement in the Committee's final report supporting the Division of Child and Family Services' (DCFS) plan to develop a cost allocation unit to maximize collection of federal revenue. The Committee recommends that unit be funded entirely with federal revenue, as the unit's purpose is to augment this source of funding.

B. Contract Providers for Certain Child Welfare Services

During the interim, Committee members expressed concern for the DCFS contracting process for purchasing therapeutic foster care residential services. In particular, issues discussed include certain contractors either refusing to accept a child as a placement or ejecting a child placed in a therapeutic foster care home. A thorough discussion of this issue is available in the minutes and exhibits from the April 22, 2004, and June 27, 2004, meetings. A copy of the June 7, 2004, letter from Administrator Bosworth, DCFS, which includes important information on this issue, is provided under Appendix C of this report.

In response to questions raised by the Committee, DCFS noted plans to pursue the use of performance-based contracting to improve outcomes for children placed in higher levels of care. As explained by DCFS in the materials for the April 22, 2004, meeting, "performance-based contracts provide payment to contractors as they accomplish predetermined results." At that time, DCFS was in the process of extending existing provider contracts for an 18-month period to expire on January 1, 2005, and noted that the process for successfully implementing performance-based contracting in other states involved a two-year time frame. During this time, other states worked on developing contracts and standards jointly with providers, training staff, and hiring contract monitoring personnel to appropriately oversee the implementation.

Provider Rates

A related issue to contracts with providers is the rates paid to providers. The Committee received compelling testimony from providers, including representatives of St. Jude's Ranch for Children and Girls and Boys Town of Nevada. Representatives testified that the costs of the provided services have increased over past years, but the rates paid to providers have not. An overview of the number of providers statewide and the cost per day is available in the April 22, 2004, meeting packet (See Tab III, pages 18 through 24). Further, providers have experienced numerous problems with the state's Medicaid system, particularly with regard to billing and receiving reimbursement. In June 2004, DCFS reported it had initiated a dialogue with service providers statewide to focus on addressing the concerns identified by providers and improving communications.

In a July 28, 2004, letter to the Committee regarding possible recommendations to the 2005 Legislature, Administrator Bosworth, DCFS, explained that “providers have not received rate increases for the past five years. The Nevada Provider Rates Task Force proposed new rates for residential and non-residential services. Based upon the recommended rates, the preliminary estimated costs for this increase are \$3,500,000 annually with 50 percent federal and 50 percent state general fund match.”

In response to each of these issues, the Committee voted to adopt the following two recommendations:

Recommendation No. 3 – Include a statement in the Committee’s final report supporting the DCFS plan for a rate increase for contract group home providers, and to implement performance-based contracting.

Recommendation No. 4 – Send a letter to the Director of the Department of Human Resources urging him to designate a person to be responsible for ensuring that issues involving Medicaid coverage for abused or neglected children, including payment for providers, are addressed appropriately. The designated person should serve as the primary contact for inquiries from Medicaid providers involving children in the custody of a child welfare agency. Further, the designated person should be responsible for determining the number of Medicaid providers needed to serve the needs of children in the custody of a child welfare agency, and should report any shortages to the Director of the Department.

A copy of the letter to Director Willden is included in Appendix E.

C. Assistance to Youth “Aging Out” of Foster Care

A continuing concern for the Committee is the need for assistance to youth “aging out” of foster care. During the interim, the Committee monitored the use of funds generated by Assembly Bill 94 (Chapter 603, *Statutes of Nevada 2001*), which authorized county recorders to charge additional fees for various services and to deposit those additional fees with the State Treasurer for credit to an account to assist persons formerly in foster care. The account is administered by DCFS and is to be used to assist persons in making the transition from foster care to economic self-sufficiency.

In Fiscal Year (FY) 2003, approximately \$1.8 million was available within the fund. In June 2004, the DCFS estimated that \$1.3 million would be collected from county recorders in FY 2004. However, throughout the interim, Committee members noted with concern the comparatively small amount of funds distributed to the youth. For example in FY 2004, per the State Accounting System, \$1,318,017 had been collected, together with approximately \$1.65 million carried forward from FY 2003, for an available total of nearly \$3 million. A total of \$760,883 was recorded as expenditures in the Transition from Foster Care budget account. In response, child welfare agencies noted problems in development of the

regulations, including questions concerning which youth were eligible to receive the funds, contributed some delays in implementation.

In addition, the Committee noted that at the age of 18, many youth had not yet completed high school, obtained a job, or found a new place to live. At this age, many youth have not adequately planned for their future independence and are in need of assistance to develop such a plan. Thus, the Committee voted to adopt the following recommendation to ensure that this planning takes place:

Recommendation No. 5 - Draft legislation to require child welfare agencies to develop a transition plan in consultation with the youth that includes (without limitation) assisting the youth in obtaining the following:

- o A Social Security card;
- o A Nevada identification card or driver's license;
- o A work card, if applicable;
- o Health care coverage;
- o Social Security Disability approval, if applicable; and
- o An agreement with the Division of Mental Health and Developmental Services for housing and other services, if applicable.

In addition, the agency must inform the youth of the assistance available under NRS 423.137 (Assembly Bill 94 [Chapter 603, *Statutes of Nevada 2001*] funds) and include with the transition plan a copy of an application for the funds for the items the child needs. Finally, the child welfare agency must present the finalized transition plan to the court. (BDR 38-667)

Extended Governmental Services and Medicaid Eligibility for Youth “Aging Out” of the Foster Care System

The 2001-02 Committee on Children, Youth and Families recommended legislation allowing child welfare agencies to continue to provide services to foster care children past the age of 18 years in certain circumstances. Similar legislation had been proposed in 2001, but did not pass. The bills, as introduced, authorized child welfare agencies to enter into agreements with children 18 through 20 years of age (through 21 years of age in the 2003 legislation) to continue to receive maintenance and special services if the child is enrolled as a student at a university, college, trade school, or technical school. (See Assembly Bill 342 from the 2001 Session and Assembly Bill 25 from the 2003 Session)

A related bill recommended by the 2001-02 Committee proposed to require the Director of the Department of Human Resources to include in the State Plan for Medicaid a requirement that young adults who have “aged out” of foster care are eligible for Medicaid (See Assembly Bill 5 of the 2003 Legislative Session). The Foster Care Independence Act of 1999 authorized states to extend Medicaid to 18, 19, and 20-year-olds who have been emancipated from foster care. A related resolution was passed by the 2001 Legislature urging

the Department of Human Resources to examine the feasibility of such an extension in Nevada. (Assembly Concurrent Resolution No. 10 [File No. 83, *Statutes of Nevada 2001*])

The 2003 Legislature did not pass either of these two recommendations, both of which had a projected fiscal impact to the State. Because the need for assistance to the youth continues, the Committee voted to adopt the following two recommendations:

Recommendation No. 6 - Redraft legislation from the 2003 Legislative Session to allow DCFS to continue to provide services to foster care children past the age of 18 years in certain circumstances. (BDR 38-667)

Recommendation No. 7 - Redraft legislation from the 2003 Legislative Session requiring the Director of the Department of Human Resources to include in the State Plan for Medicaid a requirement that young adults who have “aged out” of foster care are eligible for Medicaid. (BDR 38-668)

In an effort to raise awareness of the issues, the Committee also voted to send a letter to Governor Kenny C. Guinn urging inclusion of the funds necessary for the two recommendations in The Executive Budget for the 2005-07 biennium. A copy of the letter to Governor Guinn and updated estimates of the cost of the two recommendations are included in Appendix F.

D. Mental Health Services

The method of providing mental health services to the children within the child welfare system was an issue intensely examined by the Committee, as reflected in the minutes for each of its hearings. Following is an overview of some of the issues under examination.

Wraparound in Nevada (WIN) Program

Case management for mental health services to children within the foster care system is currently provided through DCFS by two methods: Traditional Targeted Case Management and the Wraparound Process. The WIN program was initiated in April 2002 by the DCFS as a pilot project involving 33 children with severe emotional disturbance (SED) in the foster care system. In addition to studying the children who received services through WIN, the DCFS selected another 33 children in foster care with SED for study as a comparison group receiving services through the Traditional Targeted Case Management approach.

At the Committee’s December 16, 2003, meeting, DCFS presented the results of the pilot project, which showed significant progress under the WIN program in moving children to less restrictive placements, reducing the number of law enforcement contacts, and improving the children’s levels of clinical functioning and school functioning, including reduced absences and higher grade point averages. (See pages 28 and 29 of the Committee’s December 16, 2003, meeting packet.)

The following distinction between the two approaches was provided by DCFS to the Committee at its June 17, 2004, meeting (see Volume I, page 42 of the meeting packet):

Traditional Targeted Case Management and the Wraparound Process are two different approaches to case management that provide coordination of services to children and families with complex needs. The Wraparound Process actually influences service delivery and holds service providers more accountable for treatment. Wraparound: an intensive intervention program that envelops a high-risk child experiencing emotional or behavioral challenges in a “wrap” of support designed to stabilize the child and family.

Children receiving both Traditional Targeted Case Management and Wraparound have access to Mental Health Treatment to include:

1. Acute Hospitalization
2. Mental Health Residential Treatment
3. Outpatient Therapy
4. Psychiatric/Psychological Assessment
5. Medication Monitoring
6. Intensive Community Based Services (In-home therapy)
7. Day Treatment
8. Rehabilitative Skills Training
9. Respite Care
10. Flexible Funds

(A copy of the June 7, 2004, letter, which also includes information on this issue, is provided under Appendix C of this report.)

In response to the Committee’s request for a comparison of the cost of serving children with the WIN approach versus the traditional mental health services approach, DCFS identified 25 children served by each program, and provided the following estimates based upon costs for residential and non-residential services collected on the children from June 1, 2002, through June 30, 2004:

	Non-Residential Costs	Residential Costs
WIN	\$800.53	\$2,124.55
Traditional	\$295.24	\$3,028.56

(See Exhibit C1 from the August 12, 2004, minutes and the letter from DCFS dated August 10, 2004.)

In a letter to the Committee regarding possible recommendations for consideration at the Committee’s August 2004 work session, Administrator Bosworth, DCFS, noted:

Project WIN was recognized as a Promising Practice during the Federal Child and Family Services Review. WIN provides wrap around case management to severely emotionally disturbed children in child welfare custody. The program has served 475 children as of July 15, 2004. The average caseload for a WIN wrap around case manager is 10 youth and the model emphasizes family involvement and worker contact with the child and parents. Case managers are currently employed as temporary hourly employees without benefits. Turnover has been high as staff resign to obtain permanent work that includes benefits. Training, coaching and supervision of these “temporary” case managers requires repeated investment of time and expertise. This turnover has significantly reduced the program’s ability to serve more children.

Plans were noted to submit a request to Governor Guinn and the Interim Finance Committee prior to the 2005 Session to allow conversion of the WIN project to a State program, and DCFS requested the Committee’s support. (See pages 72 and 73 of the August 12, 2004, meeting packet.) The agency anticipated that converting the WIN program could be achieved with existing budgeted resources. (For additional information, see Exhibit C1 from the August 12, 2004, minutes.)

Based upon the information provided, the Committee approved the following recommendation:

Recommendation No. 8 - Include a statement in the report supporting the DCFS plan to convert the Wrap-around in Nevada (WIN) program to a state program with appropriate infrastructure, including supervisors, case managers, clerical support, and operating costs.

Rate Structure for Higher Levels of Care

An issue relating to mental health services was also raised for the Committee’s consideration at its August work session. In a July 23, 2004, letter to the Committee, Michael Capello, Director, Washoe County Department of Social Services, noted that the current rates for higher levels of care of children within the child welfare system have not been adjusted for several years and have prevented the State from being able to expand the quality and types of placement services available. In response to this concern, the Committee adopted the following recommendation, with stipulation that the support of the members of the Committee for the recommendation may be withdrawn depending upon the estimated fiscal impact to the State, which was not provided by the agencies at the time of the work session:

Recommendation No. 9 - Include a statement in the report supporting an overhaul of the rate structure for higher levels of care. Encourage child welfare agencies to initiate an examination of the rate structure for higher levels of care for the purpose of recommending a change in the rate structure to the Governor and to the 2005 Legislature.

Responsibility for Mental Health Services for Children

During the August work session, the Committee members discussed concerns regarding provision of the mental health services by DCFS that had been raised throughout the interim by legislators, practitioners, a judge, and other interested individuals. In an effort to ensure that the children are receiving the best services in the most effective manner, the Committee approved the following recommendation for more thorough discussion during the 2005 Legislative Session:

Recommendation No. 10 - Draft legislation to transfer all responsibilities for mental health from DCFS to the Division of Mental Health and Developmental Services. Responsibilities to transfer include (but are not limited to) clinical services provided by therapeutic foster families. Require that discharge planning commence immediately upon admission to a facility and that a child be released to an appropriate placement no later than 48 hours after they have stabilized and are no longer in need of treatment. (BDR 39-669)

Services and Funding for Severely Emotionally Disturbed Children

One issue of particular concern since the Legislature started its review of the child welfare system in 1999 is the need for services for children with SED. Following the recommendation for increased funding by the A.C.R. 53 Subcommittee, Assembly Bill 1 of the 17th Special Session (2001) authorized approximately \$2.7 million, including \$1.6 million of General Fund support, for services to children with SED in the foster care system during the 2001-03 biennium. During that period, the General Fund amount was reduced to \$1.1 million by budget reductions necessary due to budget shortfalls which affected implementation of the program. For the 2003-05 biennium, the 2003 Legislature approved a total of \$12.2 million (\$8.2 million in General Fund) for full services to 327 children during the biennium.

Throughout the interim, the Committee requested updates on the number of children with SED and provided services using these funds. Detailed information on this issue is presented in the Committee's June 17, 2004, meeting packet (See Volume I, pages 43-50.) A copy of the June 7, 2004, letter from DCFS, which also includes more extensive information on this issue, is provided under Appendix C of this report.

Expanded Services for Severely Emotionally Disturbed Children

Prior to the August work session, Director Capello, Washoe County Department of Social Services, raised the question of expanding the services provided for all children with SED, in addition to those in foster care. Following is an excerpt from his letter to the Committee:

The services for severely emotionally disturbed children must be expanded to include children across the child welfare system and not just those in foster care.

Currently many children come to the attention of the child welfare system as a result of severe emotional and behavioral challenges.

The parents of these children are often willing to accept services to help them effectively address the needs of the children; however, due to the lack of appropriate services, the children eventually enter the child welfare or juvenile justice system. Having the ability to access intensive mental health services early on in a case would likely prevent foster care placement and disruption of the family unit.

(See Exhibit C from the August 12, 2004, minutes, pages 75-79)

At the work session, the Committee recognized the importance of this issue, agreed that the methods of expanding services and funding those services needed to be examined, and adopted the following recommendation, with the stipulation that the support of the members of the Committee for the recommendation may be contingent upon estimated fiscal impact to the State, which was not provided by the agencies at the time of the work session:

Recommendation No. 11 - Include a statement in the report supporting the expansion of services for severely emotionally disturbed children to include children across the child welfare system and not just those in foster care.

Mental Health Consortiums

In addition to providing for the integration of child welfare services, Assembly Bill 1 of the 17th Special Session (2001) also created three mental health consortia: one in Clark County, one in Washoe County, and one to represent the remainder of the state (NRS 433B.333 through 433B.335). Composed of representatives from relevant state and local agencies, providers, and parents, each consortium must prepare a plan for the provision of mental health services to emotionally disturbed children within its jurisdiction. The plan must include, among other items: (1) an assessment of the need for mental health services in the jurisdiction; (2) a description of the types of services to be offered to emotionally disturbed children; (3) criteria for eligibility for those services; and (4) the mechanisms to manage the money provided for those services.

During the 2003-04 interim, the Committee monitored the work of the consortia and received updates on their progress. At the August 12, 2004, meeting, the Committee reviewed the annual reports prepared by each consortium, expressed appreciation for their extensive work, and voted to accept their recommendations, which involve a wide range of issues impacting the child welfare system, including juvenile justice and education. The full reports of the three consortia are available as Exhibit G from the August 12, 2004, meeting.

E. Additional Recommendations Relating to the Operation and Oversight of the Child Welfare System

At its August work session, the Committee also considered a variety of additional recommendations relating to the operation and oversight of the child welfare system.

Siblings in the Child Welfare System

In 1999, the Legislature passed a bill establishing a statutory preference for children in the child welfare system to be placed together with their siblings, if practicable (Assembly Bill 158, Chapter 435 *Statutes of Nevada*). In response to information requested for the April 22, 2004, meeting, DCFS explained that when siblings are separated, the different levels of treatment needed for the children can be a factor in the separation. Following is a summary of the number of sibling groups in each region in April 2004, and the number within that group placed together and separated:

Area of the State	Number of Sibling Groups	Number Placed Together	Number Separated
Southern Region	429 (1,166 children)	270 (690 children)	159 (476 children)
Rural Nevada	101 (264 children)	73 (187 children)	28 (77 children)
Washoe County	252 (661 children)	177 (437 children)	75 (224 children)

Additional information is available in the Committee's April 22, 2004, meeting packet (see pages 26 through 29).

Building on the Legislature's 1999 efforts to keep children together with their siblings unless extenuating circumstances exist (such as abuse between the siblings), the Committee voted to adopt the following recommendation:

Recommendation No. 12 - Draft legislation to add a presumption to *Nevada Revised Statutes* that it is in the siblings' best interests to be placed together. In addition, require that the child welfare agency's semiannual report (required by NRS 432B.580) include the following: (BDR 38-670)

- **A detailed report on the placement of the child in relation to his or her siblings, including any separation of the siblings and the reasons for the separation;**
- **The efforts by the agency to place the siblings together that includes the reasons the siblings are not currently placed together.**
- **The actions taken by the agency to maintain contact between the siblings.**

- A plan for visitation if the siblings are not placed together that must be approved by the court. Once a visitation plan is approved, the child welfare agency must request a court order for visitation, which is subject to contempt of court for a violation.

Fast-Track Parental Rights Cases

In certain cases, termination of parental rights is determined to be necessary for the child to live in a permanent, safe environment. As required by Chapter 128 of NRS, the primary consideration for the court in any proceeding to terminate parental rights is whether the best interests of the child will be served by the termination. With the rapidly growing number of family cases in Nevada, concern exists for the amount of time involved in processing termination of parental rights cases. According to the Nevada Supreme Court's *Annual Report of the Nevada Judiciary Fiscal Year 2003*, the caseload for family courts increased dramatically between 2000 (41,676 cases) and 2003 (52,258 cases). In (FY) 2003, 775 of the new cases filed involved termination of parental rights.

In order to ensure that decisions in these important cases are not delayed unnecessarily, the Committee voted to adopt the following recommendation:

Recommendation No. 13 - Draft legislation to require that termination of parental rights cases be "fast tracked" by the courts to achieve a final decision within six months. In addition, send a letter on behalf of the Committee to the Nevada Supreme Court requesting the Court to consider changing the necessary court rules to allow "fast tracking" of parental rights cases. (BDR 11-671)

A copy of the letter to the Nevada Supreme Court is included under Appendix G.

Rights of Foster Children

Throughout its work, the Committee has emphasized that the needs of the children are of paramount interest. Some states, including California, have adopted legislation setting forth the rights of children statutorily. In a continuation of its efforts to protect and serve the needs of the children in Nevada, the Committee voted to adopt the following conceptual recommendation:

Recommendation No. 14 - Draft legislation setting forth the "rights" of children in foster care, including the following concepts: (BDR 38-672)

- To live in a safe, healthy, and comfortable home where he or she is treated with respect.
- To be free from physical, sexual, emotional, or other abuse, or corporal punishment.

- **To receive adequate and healthy food, adequate clothing, and, for youth in group homes, an allowance.**
- **To receive medical, dental, vision, and mental health services.**
- **To be free of the administration of medication or chemical substances, unless authorized by a physician.**

A copy of California's legislation (*Cal. Wel. & Inst. Code §16001.9*) is included in the Committee's August 12, 2004, meeting packet on pages 97 through 99.

Sharing of Identifying Information for Research Purposes

In a letter to the Committee concerning its August work session, Susan Klein-Rothschild, Director, Clark County Department of Family Services, raised an issue for the Committee's consideration involving the sharing of identifying information for research purposes. According to the Department, the current statute authorizing the sharing of information on children and family services only permits such sharing if all identifying information is removed (See NRS 432B.290). As a result, the Department has experienced the following challenges, as related in its letter to the Committee (See pages 89 through 93 of the August 12, 2004, meeting packet):

- o The Department does not have the resources required to "deidentify" the data requested by researchers. For example, case reviews require all case notes to be reviewed and identifying data redacted prior to providing the information to the researcher.
- o Child welfare research projects with multiple partners are difficult as databases must be merged using a common client identifier (i.e. number) to ensure information on a given client is captured and assigned appropriately. The task falls to the Department to ensure that data is "deidentified" prior to being provided to researchers, creating a resource issue.
- o Practically, the Department cannot now use Research Assistants (RA) offered by the researcher to "deidentify" the data as the RA who is essentially an extension of the researcher.
- o Research assessing treatment outcomes (i.e. including both a treatment model and evaluation of that model) are difficult to implement. Typically, the same researcher conducts both portions of the study, making it challenging to separate the treatment (client identity known) from the data gathering ("deidentified").

The Department explained that "the above scenarios result in (1) research projects not being pursued, (2) research projects being unnecessarily delayed as the agency attempts to identify resources to complete 'deidentification' tasks, or (3) in treatment outcome studies, somewhat arbitrary separation of treatment/research data."

Several members of the Committee expressed strong concerns for the privacy issues involved and asked legislative staff to research any legal concerns involving the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). Subsequently, in order for the issue to be thoroughly examined by the 2005 Legislature, the Committee voted to adopt the following recommendation on behalf of the Clark County Department of Family Services:

Recommendation No. 15 - Draft legislation creating an exception to the requirement to remove all identifying information. The exception would authorize the sharing of data or information concerning reports or investigations with a person engaged in bona fide research or an audit under the following conditions: (BDR 38-673)

- **The identifying information must be maintained confidentially by the person to whom it is released for research or audit purposes;**
- **The identifying information is essential to the purpose of the research or audit; and**
- **Each person identified in the record or an authorized representative has authorized such disclosure in writing.**

Increase the Daily Foster Care Rate

An issue considered throughout the course of integration of the child welfare system has been the daily rate paid to foster care providers. In 2001, the Nevada Legislature increased foster care rates, which include clothing allowances and school supplies, paid to foster parents for children 0 through 11 years of age from \$13.28 per day to \$19.50 per day (46.8 percent increase). The rate for children 12 years and older increased from \$16.33 per day to \$22.50 per day (37.8 percent increase). The current average is \$21 per day.

Following the passage of Assembly Bill 1 of the 17th Special Session (2001), Washoe County elected to pay its foster care providers a daily rate of \$30 using a combination of state and county funds. Prior to the enactment of Assembly Bill 1, the County paid its foster care providers a rate of \$44 per day in an effort to reflect the market rate for childcare services and promote the retention of foster families.

Testimony from representatives of Washoe County during the 2001-02 interim advocated the \$30 a day rate as a means both to retain foster care providers and to provide higher quality of care, which would result in fewer children advancing to higher, and more costly, levels of care. Thus, in its final report to the 2003 Legislature, the Committee encouraged child welfare agencies to study the impact of higher reimbursement rates and recommended that the Legislature, the Department of Human Resources, and the Office of the Governor support raising the foster care reimbursement rate in rural Nevada and in Clark County to \$30 per day.

In the letter to the Committee for the August work session, Director Capello, Washoe County Department of Social Services, noted that the County's "experience has demonstrated that the higher payment rate combined with the contractual agreement signed by foster parents promotes greater stability in foster care placements." (See pages 78 and 79 of the Committee's August 12, 2004, meeting packet.) Although a formal study of the impact of the higher foster care rate has not yet been presented to the Committee, in recognition of the successful experience of Washoe County, the Committee voted to adopt the following recommendation from the County, with the stipulation that the support of the members of the Committee for the recommendation may be contingent upon estimated fiscal impact to the State, which was not provided by the agencies at the time of the work session:

Recommendation No. 16 - Include a statement in the report supporting an increase in the daily foster care rate to \$30 per day across the State.

Respite Care

Like the daily rate for foster care, the important issue of respite care for foster care providers has also been considered throughout the course of integration of the child welfare system. At the conclusion of the 2001-02 interim, the Committee on Children, Youth and Families voted to send a letter to Governor Kenny C. Guinn urging the inclusion of an increase in The Executive Budget for the 2003-05 biennium for DCFS to fund foster parent respite care to allow foster parents 14 days of respite per fiscal year at a rate of \$30 a day for ages 1 through 12 years and \$35 a day for ages 13 through 18 years. At that time, the respite care rate was \$15 per day for children 1 to 13 years of age and \$20 a day for children 13 years and older. The Committee also voted to urge the Governor to include authorization in the budget to use these funds for hourly respite (or part of the day or evening) instead of requiring an overnight respite placement.

These recommendations were not included in The Executive Budget by the Governor or adopted by the 2003 Legislature. In his July 2004, letter, Director Capello requested that the Committee consider supporting a change in foster parent respite care to allow foster parents 14 days of respite per fiscal year at a rate of \$30 per day. The letter notes that foster care "can be very demanding and stressful, and the opportunity for respite care prevents burnout and reduces stress for foster parents." (See pages 78 and 79 of the August 12, 2004, meeting packet for additional information.)

At the August work session, the Committee approved the following recommendation, with the stipulation that the support of the members of the Committee for the recommendation may be contingent upon estimated fiscal impact to the State, which was not provided by the agencies at the time of the work session:

Recommendation No. 17 - Include a statement in the report supporting foster parent respite care to allow foster parents 14 days of respite per fiscal year at a rate of \$30 a day.

Foster Care Review Boards

At its final meeting in August, the Committee received a presentation from Dr. William Murphy, Ph.D., Professor, University of Nevada School of Medicine. Dr. Murphy, who works with Court Appointed Special Advocates (CASA), provided information on Foster Care Review Boards and explained that the priorities are safety and permanency for all the children evaluated. In states where the boards have been established, their function is to assess the service plan for the child, the progress made, and safety considerations. The boards also work to ensure every child is reviewed on a regular basis, which increases oversight and accountability.

Dr. Murphy explained boards are generally comprised of trained citizen volunteers who make recommendations to courts and assist social services and the judiciary for as long as the child is in the system, which is important for the child's transition to independent living into adulthood. For additional information on Dr. Murphy's presentation, please see the minutes from the August 12, 2004, meeting.

Following the presentation, the Committee voted to adopt the following recommendation:

Recommendation No. 18 - Send a letter to the Director of the Department of Human Resources and the Administrator of the Division of Child and Family Services urging the establishment of a pilot program for voluntary foster care review boards.

A copy of the letter to the agencies is included under Appendix H.

F. Issues Relating to Adoption

As noted earlier in this bulletin, the Committee created a subcommittee to consider certain issues relating to adoption that were raised during the 2003 Legislative Session. A copy of the Subcommittee's report is included under Appendix B.

At the work session, the full Committee considered and adopted three recommendations involving adoption. The first two issues relate to the ability of an adoptee to access and receive important medical information concerning his or her birth family. Senator Maggie Carlton, Chair of the Subcommittee, noted the compelling testimony from adoptees and their families who could have treated or even avoided life changing medical conditions if information on the birth families' medical history had been available. Based upon this testimony, the Committee voted to adopt the following recommendation:

Recommendation No. 19 - Draft legislation establishing a procedure for birth parents to provide updated medical information or family history of medical problems to the district court. Require the district court to work confidentially through the appropriate adoption agency to try to locate the adopted child and provide the updated medical information to the adopted

child or the child's adoptive parents if the child is still a minor. The information must be provided without exchanging any identifying information. No fee will be charged to the birth parent for providing the information. (BDR R-883)

During the work session, legislative staff noted unresolved constitutional concerns involving the separate branches of government that could impact the content and method of drafting the recommendation as either a bill or a resolution. In recognition of the need for legislative staff to more thoroughly examine the possible methods of drafting Recommendation No. 19, the Committee also adopted the following recommendation:

Recommendation No. 20 - Draft legislation to require the State Register for Adoptions to attempt to contact an adopted child (or the child's adoptive parents if the child is still a minor) when the Register receives updated medical history information from a birth parent. Such contact must only be for the purpose of relaying updated medical information and must not involve the release of identifying information, except as currently authorized by statute. (BDR 11-674)

The State Register for Adoptions is maintained by DCFS pursuant to NRS 127.007. This mutual consent registry was established in 1979, and consists of names and other necessary information regarding:

1. Persons who have released a child for adoption or consented to a child's adoption or whose parental rights have been terminated. These individuals must have submitted the information voluntarily to the Division;
2. Adoptees 18 years of age and older who have submitted the information voluntarily; and
3. Persons related within the third degree of consanguinity to adopted persons and who have submitted the information voluntarily.

The DCFS may only release information about a person related within the third degree of consanguinity to an adopted person. Similarly, DCFS may only release information about an adopted person to a person related within the third degree of consanguinity. According to the Division, if both the adoptee and the birth parent or eligible relative files an application with the Registry, the Division will facilitate contact between the eligible parties. However, if only one party registers, the application will be kept on file with the Registry.

Additional information regarding the issues considered by the Subcommittee is available in the Subcommittee's report (see Appendix B) and in the minutes and exhibits from the Subcommittee's March 20, 2004, meeting.

New Program for Post-Adoption Services

An additional issue raised by Director Capello, Washoe County Department of Social Services involves post-adoption services. Director Capello noted the following concern in the letter to the Committee prior to the August work session:

As a result of the Adoption and Safe Family Act, the number of adoptions in Nevada is growing significantly and the timeframes for finalizing adoptions are becoming shorter. It is imperative that post-adoption support services are available to families who have adopted special needs children. Often, adoption disruptions are the result of many months or years of frustration by the adoptive parent with no outside intervention or support. Development of a post-adoption support service should include routine follow-up contacts with the adoptive parent to provide or coordinate needed services or support before the frustration level leads to a disruption in placement.

(See Exhibit C from the August 12, 2004, minutes, pages 75-79)

In recognition of these concerns, the Committee voted to adopt the following recommendation, with the stipulation that the support of the members of the Committee for the recommendation may be contingent upon estimated fiscal impact to the State, which was not provided by the agencies at the time of the work session:

Recommendation No. 21 - Include a statement in the report supporting the development and funding of post-adoption services programs across the State. Note in the report that the support of the members of the Committee for the recommendation may be contingent upon estimated fiscal impact to the State, which was not provided by the agencies at the time of the work session.

V. CONCLUSION

The Committee is fulfilling its important responsibility to oversee the integration of the child welfare system and examine other related issues. The work of the Committee would not have been possible without the tremendous assistance and consultation provided by the directors, administrators and staff of Nevada's child welfare agencies: DCFS, the Clark County Department of Family Services, and Washoe County Department of Social Services. Their work and dedication to improving the services provided to Nevada's children is recognized and very much appreciated.

Under Assembly Bill 1 (Chapter 1, *Statutes of Nevada 2001*, 17th Special Session), the Committee is scheduled to "sunset" in 2005. However, the Committee has approved a recommendation for legislation to extend the Committee one more interim to continue its work in overseeing the continuing integration process and the development of the plan for the future funding of the integrated system.

VI. APPENDICES

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APPENDIX A

Legislative Committee on Children, Youth and Families
(*Nevada Revised Statutes 218.53723*)

**NRS 218.53723 Creation; membership; Chairman and Vice Chairman; vacancies.
[Effective through June 30, 2005.]**

1. There is hereby established a Legislative Committee on Children, Youth and Families consisting of:

(a) Five members appointed by the Majority Leader of the Senate, at least two of whom were members of the Committee on Finance during the immediately preceding legislative session; and

(b) Five members appointed by the Speaker of the Assembly, at least two of whom were members of the Committee on Ways and Means during the immediately preceding legislative session.

2. The members of the committee shall elect a Chairman and Vice Chairman from among their members. The Chairman must be elected from one house of the Legislature and the Vice Chairman from the other house. After the initial election of a Chairman and Vice Chairman, each of those officers holds office for a term of 2 years commencing on July 1 of each odd-numbered year. If a vacancy occurs in the Chairmanship or Vice Chairmanship, the members of the Committee shall elect a replacement for the remainder of the unexpired term.

3. Any member of the Committee who is not a candidate for reelection or who is defeated for reelection continues to serve until the convening of the next session of the Legislature.

4. Vacancies on the Committee must be filled in the same manner as the original appointments.

(Added to NRS by 2001 Special Session, [19](#))

APPENDIX B

Report of the Subcommittee on Adoption
to the Committee on Children, Youth and Families

and

Report of the Subcommittee on Kinship Care
to the Committee on Children, Youth and Families

**REPORT OF THE SUBCOMMITTEE ON ADOPTION
TO THE COMMITTEE ON CHILDREN, YOUTH AND FAMILIES
(NEVADA REVISED STATUTES 218.53723)
APRIL 22, 2004**

Summary: During the February 12, 2004, meeting of the Committee on Children, Youth and Families, Senator Raymond D. Rawson, Chairman, appointed the Subcommittee on Adoption to review issues raised during the 2003 Legislative Session. Chairman Rawson appointed Senator Maggie Carlton to serve as chairwoman of the subcommittee and invited other interested members of the Committee to participate.

Subcommittee Meeting

The Subcommittee met on Saturday, March 20, 2004, in Room 4401 of the Grant Sawyer State Office Building in Las Vegas. The meeting was videoconferenced to Room 2135 of the Legislative Building in Carson City. Three major issues were included on the agenda: (1) the State Register for Adoptions; (2) access to files and records concerning proceedings of adoption or birth; and (3) contracts between parties for post-adoptive contact. Chairwoman Carlton invited interested members of the public to testify on each item. For more detailed information, please see the minutes and exhibits of the meeting.

Agenda Item II—State Register for Adoptions (Nevada Adoption Registry)

Background—The State Register for Adoptions (also known as the Nevada Adoption Registry) was established by the Legislature in 1979 to assist birth parents, certain family members, and adult adoptees relinquished or adopted through a Nevada child-placing agency to receive identifying information and to contact each other after the adoption proceedings have been completed. Non-identifying information is also available to adult adoptees. The Division of Child and Family Services (DCFS), Department of Human Resources, is responsible for operating the Nevada Adoption Registry.

Like many states, Nevada has a mutual consent registry under which both the applicant and the party who is the subject of the search must both have applications on file consenting to the release of their identifying information. If only one party is registered, identifying information regarding the other party cannot be shared. However, the Registry also maintains and provides non-identifying information collected by DCFS or other child-placing agencies.

Testimony on Agenda Item II—Following is a general summary of testimony presented. For more complete information, please reference the minutes of the meeting and its exhibits. In addition, the recording of the meeting is available through the Publications Office of the Legislative Counsel Bureau.

Wanda Scott testified on behalf of DCFS and provided background information on the operation of the Adoption Registry. She explained that an additional option for adoptees,

birth mothers, and relatives seeking information is the International Soundex Reunion Registry (ISRR), which is not limited to information on Nevada adoptions.

Members of the public who spoke in favor of the registry process included parents of adoptees (some of whom spoke on behalf of birth mothers) and representatives of private adoption agencies including Catholic Charities and Latter Day Saints Family Services. Speakers noted that:

- There may be compelling reasons for a birth mother to wish not to be contacted, but those who do wish to be contacted have the option of signing up with the registry;
- Registries are available throughout the United States and will be more effective at “matching up” adoptees and their birth families as more adoptees reach the age of 18 years; and
- Information regarding how to sign up with the Nevada Adoption Registry and the ISRR is now routinely provided to birth mothers and adopting parents at the time of the adoption.

Concern for Registry Process

Others present were not satisfied with the registry process and expressed their concerns, which included the following: (1) the availability of public information about the registry option; (2) the Nevada Adoption Registry’s requirement that a birth mother give her permission before other members of the birth family are allowed to sign up with the Registry (unlike the ISRR); (3) the adequacy of the resources available for the staffing and operation of Nevada’s Adoption Registry; and (4) the usefulness of the registry system generally because many registries charge fees (although the Nevada Adoption Registry and the ISRR do not), and the non-identifying information available through the Registry is not helpful sufficiently to those trying to find their birth parents.

Agenda Item III—Access to Files and Records Concerning Proceedings of Adoption or Birth

Background—Following is an overview of provisions under *Nevada Revised Statutes* (NRS) relating to accessing information involving a particular adoption:

- **State Register for Adoptions**—The State Register for Adoptions, as discussed above, provides a mechanism for accessing identifying information under certain circumstances. Non-identifying information may also be available, including the child’s birth information, including social or health history; the age of the birth or adoptive parents at the time of adoption; the height, weight, completion, eye and hair color, and ethnic background of the parents; the education, religion, and occupation of the parents; and the health of the parents. (NRS 127.007).

- **Confidentiality and Court Order to Access Information**—Nevada law specifies that the files and records of the court in adoption proceedings are not open to inspection by any person. An exception is provided upon an order of the court expressly permitting inspection pursuant to a petition setting forth the reasons for opening the files, or if a natural parent and the child are eligible to receive information from the State Register of Adoptions (NRS 127.140). This statute also specifies that all hearings in proceedings under Chapter 127 of NRS (Adoption of Children and Adults) are confidential and must be held in closed court.
- **Access to Original Birth Certificates**—Upon receipt of a certified report of adoption, the State Registrar must prepare and file a supplementary birth certificate with the new name of the adopted person (NRS 440.310). The State Registrar must seal and file the report or decree and the original birth certificate. Sealed records may only be opened if the court issuing the adoption decree issues an order so permitting, pursuant to a petition setting forth the reasons for opening the record.
- **Access to Medical Information**—*Nevada Revised Statutes* 127.152 requires that the adopting parents receive a report which includes copies of the child's medical records in the possession of the child welfare agency or licensed child-placing agency and information obtained by such an agency during interviews with the natural parent regarding the child's and natural parents' medical and sociological history and any behavioral, emotional, or psychological problems the child may have.

Nevada Revised Statutes 127.152 specifies that the report must exclude any information that would lead to the identification of the natural parent.

Testimony on Agenda Item III—Following is a general summary of testimony presented. For more complete information, please reference the minutes of the meeting and its exhibits. In addition, the recording of the meeting is available through the Publications Office of the Legislative Counsel Bureau.

Multiple parties, including birth mothers, adoptees, parents of adopted children, and representatives of Nevada Open, Bastard Nation, and other adoption-related organizations, spoke in favor of revising Nevada law to allow parties to an adoption ready access to identifying information relating to the adoption. Advocates stated that adult adoptees have both a right and a need to access this type of information, which may or may not be used to facilitate reunions between adoptees and birth parents. Advocates also argued that Nevada historically has not guaranteed a right to privacy for adoption records. One speaker expressed frustration with the court procedures under which a person may seek an order for access to the adoption files. Exhibits from speakers included information on laws in other states authorizing access to birth certificates, as well as letters and policy statements from national organizations in support of access to adoption records.

Speakers advocating opening access to adoption records testified that medical histories and genetic information, for example, are critically important when adoptive parents or adoptees fill out medical histories requested by physician offices. One speaker noted that his mother

was adopted and that if his family had known the history of birth defects in her family, the strokes his daughter had shortly after birth resulting in the need for feeding tubes and leg braces could have been prevented.

Concern for Revising Nevada's Laws Governing Access to Adoption Records

Speakers opposing changes in Nevada law advocated use of the Nevada Adoption Registry as a means through which adult adoptees and birth parents can mutually arrange to contact one another, and noted that non-identifying information is also available through the Registry, DCFS, and the private adoption agencies.

Testimony in opposition argued that birth parents and adopting parents have an expectation of privacy with regard to the adoption records; that compelling reasons exist for some birth mothers who wish not to be contacted; and that extremely personal information regarding all parties to the adoption is included in the adoption files. Speakers noted that open access should not be available, for example, to the personal questionnaires they completed when applying to be adoptive parents, which are part of the adoption files.

Agenda Item IV—Contracts Between Parties for Post-Adoptive Contact

Background—During the adoption process, birth parents and adopting parents may choose to enter into agreements (oral or written) for contact between the birth parents and the adopted child. Based upon the information presented, such agreements vary widely. For example, some agreements may be oral agreements simply to send an updated picture of the child to the birth mother for a limited period of time, while others may establish written arrangements for regular visits between the birth parent and the child.

Speakers discussed a 2002 opinion from the Nevada Supreme Court and noted that post-adoption contact agreements that are not incorporated into the adoption decrees are not enforceable. During the 2003 Legislative Session, Assembly Bill 28 was introduced to provide a statutory procedure under which parties to an adoption may choose to enter into enforceable agreements for post-adoptive contact. This measure did not pass.

Testimony on Agenda Item IV—Following is a general summary of testimony presented. For more complete information, please reference the minutes of the meeting and its exhibits. In addition, the recording of the meeting is available through the Publications Office of the Legislative Counsel Bureau.

Testimony on this issue was provided by a birth mother whose agreement for post-adoption contact was not enforced. The birth mother advocated for legislation prohibiting agencies from offering such agreements for which there is no guarantee of enforcement.

Other speakers noted that such agreements facilitate adoptions in situations involving children in Foster Care because birth parents are more willing to relinquish their parental rights if they know that they will be able to have on-going contact with the child. Speakers emphasized that the 2003 legislation did not require post-adoptive contact agreements, but if such agreements

were made, the bill would provide direction for enforcement. Proponents also noted that approximately 18 other states have similar statutes. Finally, suggestions were made during the meeting to expand the 2003 legislation to address agreements for sibling visitation.

Concern for Enacting Laws Governing Post-Adoptive Contact Agreements

Some individuals expressed general concern for establishing state statutes for court enforcement of post-adoption contact agreements, particularly when the adopting parents have the right to raise the child as they deem appropriate. Questions surrounding enforcement include whether a court could order sanctions against adoptive parents who refuse access to the child, and if so, what those sanctions may be. An adoptive parent may, for example, refuse access by a birth mother who becomes addicted to drugs and then, by statute, may be required to defend that action in court. In addition, concern was raised regarding the potential impact of the legislation on simple, oral agreements to allow some contact after adoption (such as providing occasional pictures to the birth mother).

Potential Recommendations Developed for the Consideration of the Committee on Children, Youth and Families

No formal recommendations were evaluated or acted upon by Chairwoman Carlton during the Subcommittee meeting. Chairwoman Carlton reviewed with staff the information from the meeting and is presenting the following list of options for the consideration of the Committee:

1. **Opening Access to Adoption Information**—Strong testimony was presented both in favor of revising Nevada law to allow full access to adoption records and in opposition to changing Nevada’s existing statutes which provide access to identifying information through the State Register for Adoptions (Adoption Registry) in certain circumstances and by court order.

Potential Courses of Action

- a. **Birth Certificates**—The Committee may wish to consider recommending legislation allowing adoptees access to their original birth certificates.
- b. **Adoption Registry**—The Committee may wish to consider a recommendation for the Legislature to monitor the operation of the Nevada Adoption Registry as an increasingly viable means of facilitating reunifications of adult adoptees and birth families in situations in which there is a mutual desire for such reunification. Additional funding, if needed to improve its operation, could be considered.

It is reasonable to assume that the Registry’s usefulness will continue to improve over time as more adoptees reach adulthood and more individuals are aware of the Registry. According to testimony, private adoption agencies and the Division of Child and Family Services, Department of Human Resources, provide information regarding the

Nevada Adoption Registry routinely and information about the Nevada Adoption Registry is now easily accessible through the Internet.

- c. **Access to Updated Medical information**—According to testimony, the medical information on the birth parents contained in the adoption file or available through the Adoption Registry is often incomplete and is rarely updated to reflect medical problems experienced by the birth parents or their families as they age. The Committee may wish to consider recommending a *confidential intermediary system* under which an adult adoptee can contact a governmental entity (such as the courts or the Division of Child and Family Services) and request that the entity use information from the adoption file to try to contact a birth parent to obtain updated medical information. Similar systems exist in other states.
 - d. **Court Orders**—The Committee may wish to consider providing more guidance to courts with regard to petitions to provide access to adoption information. Some states, for example, require “good cause” to be proven to the court in order for access to be granted.
2. **Post-Adoptive Contact Agreements**—Based upon information presented at the hearing, it appears that post-adoptive contact agreements incorporated into adoption decrees are currently enforceable, but the mechanisms for enforcement or modification of such agreements are not clear as these agreements are not addressed in statute. Concerns were raised that if legislation were enacted, adoptive parents may feel compelled to sign such agreements. Concerns were also expressed for the unintentional or unforeseen impact of such legislation on informal or oral agreements.

If the Committee wishes to act on this issue, to balance the interests involved, legislation similar to Assembly Bill 28 from the 2003 Session could be considered. Modifications to the prior legislation could include one or more of the following:

- a. Preamble language describing the intent of the bill and specifying that the legislation sets forth procedures applicable only to written post-adoptive contact agreements, and that the legislation is not intended to:
 - Affect, or provide a mechanism for challenging, the legitimacy of the adoption itself;
 - Require post-adoptive contact agreements;
 - Affect oral agreements.
 - Create any presumptions or public policy that adoptions involving post-adoptive contact are preferred or in the best interest of the child.
- b. Language specifying that such an agreement may only be modified at the request of the adoptive parents (not at the request of the birth parent). The party seeking modification must only establish that the agreement is no longer in the best interests of the child.
- c. Post-adoptive contact agreements with siblings in the legislation.

**REPORT OF THE SUBCOMMITTEE ON KINSHIP CARE
TO THE COMMITTEE ON CHILDREN, YOUTH AND FAMILIES
(NEVADA REVISED STATUTES 218.53723)
APRIL 22, 2004**

Summary: During the February 12, 2004, meeting of the Committee on Children, Youth and Families, Senator Raymond D. Rawson, Chairman, appointed the Subcommittee on Kinship Care. Chairman Rawson appointed Assemblywoman Chris Giunchigliani to serve as chairwoman of the Subcommittee and invited other interested members of the Committee to participate.

Subcommittee Meeting

The Subcommittee met on Saturday, March 20, 2004, in Room 4401 of the Grant Sawyer State Office Building in Las Vegas. The meeting was videoconferenced to Room 2135 of the Legislative Building in Carson City.

Agenda Item II—Overview of Kinship Care Programs in Nevada and Other States
(Following is a general summary of testimony presented. For more complete information, please reference the minutes and exhibits of the meeting. In addition, the recording of the meeting is available through the Publications office of the Legislative Counsel Bureau.)

Nancy K. Ford, Administrator, Welfare Division, Department of Human Resources, provided an overview of the Kinship Care program in Nevada and similar programs in other states. She discussed a detailed handout that included a history of the program, which was created in 2001 by Assembly Bill 15 (Chapter 326, *Statutes of Nevada*). She explained that the Director of the Department designated the Welfare Division, as authorized by statute, as the agency responsible for the administration of the program. In her testimony and her handout, Ms. Ford noted the following:

- Regulations governing the new program were effective on October 1, 2001, and the age of the eligible caretaker relative was set in the regulations at 62 years of age.
- Originally, the payment level was set at 90 percent of the State's Foster Care rate. However, in response to economic conditions and an unexpectedly large increase in the caseload for the TANF (Temporary Assistance to Needy Families) program in 2001 and 2002, the Kinship Care grants were reduced from 90 percent of the Foster Care rate for each child to 90 percent of Foster Care for the first child and \$100 for each additional child per month. This change was effective November 1, 2002. Further, the Division adopted an income/resource test for the Kinship Care program of 275 percent of poverty. The change took effect on April 1, 2003.

- In response to questions during the hearing, Ms. Ford explained that the Welfare Division is also responsible for the Non-Needy Caretaker program. A Non-Needy Caretaker is a relative, other than a legal parent, requesting assistance for a relative child in their care. The income test is applied, but unlike the Kinship Care program, there is no age restriction.
- Most children in the Kinship Care program and the Non-Needy Caretaker program are eligible for Medicaid, regardless of the caretaker's income, through the Child's Health Assurance Program (CHAP).
- For Fiscal Year 2004, \$2,067,612 is available in grants under the Kinship Care program. Through March 9, 2004, \$839,374 has been expended, leaving a funding balance of \$1,231,675.
- The Welfare Division also submitted an extensive spreadsheet it prepared that compares the operation and funding methods of similar programs in other states.

Payment Comparison

Following is a breakdown provided by the Welfare Division of the monthly payments under the Non-Needy Caretaker, Kinship Care, and Foster Care programs, as of March 11, 2004:

Non-Needy Caretaker	Kinship Care Program			Foster Care Program	
	Eldest child 0-12 years old	Eldest child 13 years of age and older	Each child thereafter	Each child 0-12 years old	Each child 13 years of age or older
\$417	\$534	\$616	\$100	\$593	\$684

Agenda Items III and IV—Recommendations Regarding Nevada's Kinship Care Program and Public Testimony (Following is a general summary of testimony presented. For more complete information, please reference the minutes and exhibits of the meeting. In addition, the recording of the meeting is available through the Publications office of the Legislative Counsel Bureau.)

Many individuals caring for their grandchildren or other children of family members testified with various concerns for the operation and funding of the Kinship Care program. Following is a summary of some of the recommendations and concerns raised by the individuals who spoke:

1. ***Increased funding is needed.*** Several speakers advocated for monthly amounts equal to the Foster Care rates and opined that grandparents (and other relatives) save the State money by caring for their grandchildren who otherwise would be in the Foster Care system. In particular, speakers felt that the current \$100 grant payment for each additional child under the Kinship Care program is inadequate, especially because most individuals, they believe, are caring for at least two children.

Speakers noted that, under the program's current monthly payments, some grandparents cannot afford adequate clothing or for their grandchildren to participate in sports or cheerleading programs at school, for example. Many of those caring for the children are at the age of retirement and are typically on a fixed income. Advocates for change noted that many grandparents have had to move from their senior living residences and purchase homes they often cannot afford. As a result, some have had to file bankruptcy.

2. ***Using TANF as the funding for the program is problematic for the following reasons:***

- A lack of stability. Their payments were recently decreased when the TANF caseloads increased dramatically. Some speakers felt they would be better served with payments under the Foster Care system; and
- Mandatory pursuit of child's parent for repayment of funds from the program. Using federal dollars requires the State to pursue the child's parents for reimbursement (or child support) of the funds given to grandparents or other relative caregivers. Many grandparents are uncomfortable with participating in a program under which their child will be liable for the funds received.

3. ***The income test is problematic.*** Speakers discussed the income test for participation in the program. For example, one speaker was upset that he was required to disclose his income tax statement, after which he was turned down for participation in the program. Another speaker noted that the income from her husband's retirement combined with Social Security left them ineligible, but that their need for the assistance in raising their grandson remained, especially as he had been diagnosed with learning disabilities.

4. ***Public knowledge of the program.*** Several noted that there is still a lack of general knowledge about the program.

**Potential Recommendations Developed for the Consideration
of the Committee on Children, Youth and Families**

No formal recommendations were evaluated or acted upon by Chairwoman Giunchigliani during the Subcommittee meeting. Following is a summary of issues presented and potential recommendations for the consideration of the Committee:

Options for Changes in the Program Offered by the Welfare Division

In her testimony and handout, Ms. Ford noted several areas for potential changes in the program:

1. **Funding Options**—The program is currently funded through TANF, which receives money through a federal block grant. The Welfare Division noted that the amount the State now receives for TANF from the Federal Government has been frozen and is not expected to increase anytime soon. Other options for funding of the program include the following:
 - a. State General Fund. It was noted that whether the program is funded with TANF or General Fund money, it will be competing with other programs also funded by those two revenue streams.
 - b. Title IV-E Foster Care funds. Using Title IV-E Foster Care funds would require a relative to meet all licensing standards. In addition, children enter the Foster Care system through the filing of petitions of abuse or neglect; a court decides the appropriate placement of the child; and the case is reviewed by the court every six months. Changes in placement could be made.
 - c. A demonstration project for caretaker relatives with Title IV-E funds. It appears the State may have missed the deadline to submit a proposal for the demonstration project, and it is unknown whether Congress will extend the ability to develop such projects.
2. **Program and Benefit Changes**—Ms. Ford also noted other possible changes to the operation of the program, all of which will impact the money available for the program:
 - a. Change the age limit for participation, which is currently 62 years of age.
 - b. Change the income limit, which is currently set at 275 percent of poverty.
 - c. Increase the allotments for children beyond the first child (currently \$100).
 - d. Change the formula of 90 percent of Foster Care for the first child and \$100 for each additional child, and make the payment 80 percent [or some other level] of Foster Care for **each** child.

Future Workshops Organized by the Welfare Division

The Welfare Division held a public workshop on **April 6, 2004**, to discuss potential changes to the program and will report on the results of the workshop at the Committee's meeting on April 22, 2004.

Additional Areas to Consider Based upon Concerns Raised During the Hearing

1. **Determine whether Additional Benefits Could be Offered under the Kinship Care Program**—The Committee may wish to request a comparison from the Welfare Division and the Division of Child and Family Services of the benefits available for the children under the Kinship Care program and Foster Care. The side-by-side comparison should include the payment amount for each child, medical care, clothing allowances, respite care, school allowances and supplies, as well as the availability of other funds to assist in paying for a child to participate intramural, recreational, social, school and sports-related activities, including, but not limited to, uniforms and equipment, the rental of musical instruments, registration fees and art lessons (such as the Nevada Children's Gift Revolving Account under *Nevada Revised Statutes* 423.135).
2. **Review of Use of Other Funds under the Kinship Care Program**—The Committee may also wish to encourage the Division to examine the use of the funding available under the program. For example:
 - a. **Publicizing the Program**—Speakers noted there is a general lack of knowledge about the Kinship Care program.
 - b. **General Assistance to Program Participants**—Speakers indicated a general lack of knowledge about other benefits that may be available through the State for the children for whom they are caring. For example, some grandparents were not aware that their grandchildren probably qualify for Medicaid through CHAP, which includes some dental and orthodontic benefits. Existing funds under the Kinship Care program include:
 - o **Case Management Funds**—Director Michael J. Willden noted that the \$47,180 is available in Fiscal Year 2004 for case management, but none of these funds have been expended.
 - o **Guardianship Funds**—An additional \$72,000 is available for Fiscal Year 2004 to assist relatives in establishing the required guardianship to participate in the program. Of that amount, \$4,800 has been expended to date. Testimony indicated relatives are generally unaware of this assistance and some have hired their own attorneys to establish guardianship.

Further, it was suggested that, the Division examine the feasibility under existing law of designating other persons authorized to take children to doctors' appointments when establishing the guardianship. Such a change would help ease the burden on grandparents, many of whom have had to return to work to support their grandchildren.

APPENDIX C

Letter from the Division of Child and Family Services
(June 7, 2004)



FAMILY PROGRAMS OFFICE
Ruby Station
Fax (775) 684-4457

ICPC & CPS
Mountain Springs
Fax (775) 684-4456

CHILD CARE & ELIGIBILITY
Diamond Springs
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DEPARTMENT OF HUMAN RESOURCES
DIVISION OF CHILD AND FAMILY SERVICES
711 E. Fifth Street
Carson City, Nevada 89701-5092
(775) 684-4400

ADMINISTRATION
Sand Springs Station
Fax (775) 684-4455

FISCAL
Friday Station
Fax (775) 684-4458

PAYROLL & PERSONNEL
Buckland Station
Fax (775) 684-7951

MEMORANDUM

Date: June 7, 2004

To: Larry L. Peri
Senior Program Analyst
Fiscal Analysis Division

Allison Combs
Chief Principal Research Analyst
Research Division

From: Jone M. Bosworth, Administrator
Division of Child and Family Services

A handwritten signature in dark ink, appearing to read "Jone M. Bosworth", written over a horizontal line.

Please find below the Division of Child and Family Services response to requests dated May 24 and May 27, 2004:

1. **Federal Review - Please provide a copy of the final written report of Nevada's Child and Family Services Review (CFSR) by the United States Department of Health and Human Services' Children's Bureau conducted in February 2004. In addition, please provide an overview of the findings in the final report and an update on the Division's progress toward developing and submitting the required program improvement plan (PIP) in response to the findings by the Children's Bureau. Further, per the request of Chairman Raymond D. Rawson at the April 22, 2004, meeting, please identify who is responsible for ensuring that the necessary reforms are carried out for each area identified in the report as needing improvement.**

Response

The Nevada CFSR was conducted the week of February 23, 2004. The findings were derived from the Statewide Assessment, State Data Profile (prepared by the Children's Bureau of the U.S. Department of Health and Human Services), reviews of 49 cases, and interviews or focus groups with stakeholders. Nevada was not found to be in substantial conformity for any of the seven Child and Family Outcomes established by the federal government. However, with respect to the seven Systemic Factors, Nevada successfully met the federal standards in four of the seven areas evaluated. With regard to the systemic factors, the CFSR determined that the State was in substantial conformity with the factors of Statewide Information System; Training; Agency Responsiveness to the Community; and Foster and Adoptive Parent Licensing, Recruitment, and Retention.

See **Appendix A** for a copy of the final written report on Nevada's Child and Family Services Review. This report was received June 1, 2004 and Nevada is required to develop and submit a program improvement plan (PIP) to the federal government clearly showing how the state and counties will increase systemic performance and outcomes within two years from the date of approval of the PIP.

Promising Practices

Four promising approaches/practices in Nevada were identified by the Children's Bureau:

- Model Court Project in Washoe County
- Use of the Wraparound Process
- Neighborhood Care Center service model in Southern Nevada
- AB94 Transition from Foster Care Funds

Statewide Child & Family Strengths

The CFSR Report identified the following as strengths of the State's child welfare system:

- Children have a low re-entry rate within 12 months of discharge from a prior foster care episode.
- Children are often placed in close proximity to their parents or close relatives.
- Children are often placed with siblings in foster care.
- A statewide information system readily identifies the status, demographic characteristics, location, and goals for children in foster care.
- A process is in place for periodic review of the status of each child.
- Permanency hearings are held 12 months from when children entered foster care and at least every 12 months thereafter.
- Initial training is provided for all staff who provide child welfare services.
- Training is provided for current and prospective foster and adoptive parents.
- Service providers, juvenile court and other public agencies are consulted in developing the goals and objectives of the Child and Family Service Plan (CFSP).
- Agencies are consulted on annual progress reports and services delivered per the CFSP.
- Services are coordinated under the CFSP with services or benefits of other Federal or Federally assisted programs serving the same population.
- Standards are established for foster family homes and child care institutions.
- Standards are applied to all licensed or approved foster family homes or child care institutions receiving title IV-E and IV-B funds.
- Background clearances are completed for licensing foster family homes and adoptive homes.
- Cross-jurisdictional resources are utilized to facilitate timely adoption or permanent placements for waiting children.
- Nevada met the national standard for the percentage of children experiencing maltreatment by a foster care provider or facility staff member.

Statewide Areas Needing Improvement

The following are some of the key CFSR statewide findings for the Division of Child and Family Services and their agents. The areas needing improvement will be addressed in the PIP by the identification of specific, measured action steps to eliminate or significantly reduce these vulnerabilities and bring the state into substantial conformity with federal standards.

Safety

- Response to maltreatment reports are not consistent and timeframes vary for response and face-to-face contact with an alleged child victim.

- The rate of repeat maltreatment did not meet the national standard for the number of children experiencing more than one substantiated report within a 6-month period.
- There is no consistent provision of services for children and families to ensure the children's safety while they remain in the home.
- There is no consistency in addressing risk of harm to children by monitoring case progress through ongoing safety and risk assessment.

Permanency

- There is a lack of consistency in efforts to achieve permanency for children in a timely manner, to maintain a strong relationship between parents through visitation, to ensure that children in foster care experience placement stability.
- Identified barriers to achieving timely permanency were:
 - (1) a frequent practice of the courts and the agency of maintaining the goal of reunification even when the prognosis is poor
 - (2) agency-related delays in preparing the paperwork necessary for TPR or for transfer to the adoption unit
 - (3) a reluctance to seek TPR if the child is not in an adoptive home
 - (4) a lack of available services to promote reunification
 - (5) a lack of understanding of concurrent planning by the agency workers, courts, biological parents, and foster parents.
- There is a lack of consistent efforts on the part of the agency to:
 - (1) promote frequent visitation between children and their parents and siblings in foster care,
 - (2) seek and assess relatives as placement resources,
 - (3) preserve children's connections to their families and heritage, and
 - (4) support or promote the parent-child relationship.

Well-Being

- There is a lack of consistency with regard to meeting the service needs of children and parents, involving parents in the case planning process.
- Contact and frequency of contact between caseworkers, children and parents is not consistent enough to ensure the children's safety and well-being.
- Children's education-related needs are not consistently addressed even when there is evidence indicating that some type of intervention is warranted.
- Lack of sufficient attention to meeting children's mental health needs.
- Stakeholders noted that the State is in a "crisis" due to the fact that the Medicaid system is not reimbursing doctors for services due to an ongoing problem with Medicaid's automated system, and consequently doctors are refusing to see Medicaid patients.

Systemic Factors

- Case plans are not routinely developed jointly with the child's parents; generic case plans often do not address the needs of the child.
- There is no comprehensive Quality Assurance System that measures program strengths and areas needing improvement on a Statewide basis.
- The standards established for foster family homes and childcare institutions are not applied to the primary shelter facility in Clark County.
- There is not a sufficient array of services available to help children to remain safely with their parents when reasonable or would help children in foster and adoptive placements achieve permanency.

- There are critical gaps in the service array for bilingual services (particularly Spanish services), mental health services, substance abuse services, and health and dental services (because many providers will not accept Medicaid).

Program Improvement Plan and Potential Penalties

The potential penalties to a state for non-compliance are applied as follows:

- For each of the seven outcomes and seven systemic factors not in substantial conformity, one percent penalty will be withheld from a pool of funds that include the State's entire IV-B allocation and 10% of the State's foster care administrative costs. The penalty increases to two percent in the second review and three percent in the third and subsequent reviews, if the same areas are still not in conformity.
- The maximum penalty is 14% of this pool of funds. This amount increases to 28% in the second review and 42% in the third review, as noted above.
- States that do not implement a program improvement plan receive the 42% penalty immediately.
- Penalties apply the year under review and each subsequent year until the non-compliance is ended through a subsequent review or completion of the program improvement plan.
- Penalties are suspended during the implementation of the program improvement plan.

For Nevada, this equates roughly to \$368,955. The penalties apply to FFY 02 and will be calculated for each subsequent year until each area is found to be in substantial conformity. This does not include Washoe or Clark County's administrative claims for front-end services. The State received the federal report on June 1, 2004 and has ninety days to submit a program improvement plan.

On April 19th and 20th, the "Nevada Family Focus Planning Conference" was held in Henderson, Nevada and over 150 stakeholders including judges, social workers, families, foster families, physicians, advocates, and governmental agencies' staff came together to provide specific input on how Nevada's statewide system can improve. The input from these stakeholders was used to develop the Five-Year Comprehensive Child and Family Services Plan (Title IV-B) and to address the Child and Family Service Program Improvement Plan (PIP). The Division initiated the process of addressing the areas needing improvement during the development of the Five-Year Comprehensive Child and Family Services Plan in April. The PIP will be developed and submitted by August 30, 2004.

The State will provide the leadership and oversight for ensuring that each area of the Program Improvement Plan will be addressed. In partnership with the counties, benchmarks, timelines, and county and state staff responsible for individual outcomes will be identified.

2. **Transition from Foster Care Funds - Assembly Bill 94 (Chapter 603, *Statutes of Nevada*), passed by the 2001 Legislature, increased recording fees charged by county recorders by \$1 to create the account to assist persons formerly in foster care. As of the May 21, 2004, Budget Status Report in the State Accounting System, \$1,067,650 has been collected, with \$370,796 recorded as expenditures in the Transition from Foster Care budget account. Please provide an estimate of how much additional revenue could be collected in a one-year period by an additional \$1 charge on recording fees.**

Response

The Division estimates approximately \$1,314,000 recording fees will be collected from country recorders in State fiscal year 2004. A similar amount would be expected in a one-year period if an additional \$1 charge on recording fees was assessed.

In addition, as requested for prior hearings, please provide a detailed update on activity in the Transition from Foster Care Budget by region since the April 2004 meeting, including the distribution of funding to Clark and Washoe Counties and the rural communities. Finally, please provide copies of all monthly reports submitted by the entities receiving the funds, as required by the Division's Instructional Memorandum for Independent Living Program A.B. 94 Program Funds dated February 20, 2004.

Response

See **Appendix B** for Transition From Foster Care summary and monthly reports.

3. **Performance Based Contracting - During the April 22, 2004, Committee meeting, the Division provided substantial information regarding the independent contracting process for purchasing Therapeutic Foster Care residential services. As a follow-up to that information and the subsequent discussion, please provide responses to the following:**

Response

The Division provided an initial overview of its preliminary exploration of Performance Based Contracting at the April 22, 2004 Committee meeting. To clarify, that information was not intended to be specific to only one level of care (e.g. Therapeutic Foster Care). Instead, the Division is interested in developing, in a collaborative process with providers and consumers, performance contracting focused on the outcomes achieved by the total expanse of services provided through the statewide child welfare system.

For instance, states like North Carolina, Kansas and Illinois have achieved increased adoption/permanency rates through performance based contracts. (Additional examples of nationwide uses of performance contracting are provided under part c. to this question.) This expanse of statewide child welfare services or "service array" may include, but is not limited to, out-of-home care placement contracts such as the Therapeutic Foster Care level.

The Division has begun researching performance based contracting in conjunction with sending State and Counties' staff to training and accessing national technical assistance. The Committee may wish to consider an excerpt from a recent [FederalTimes.com](http://www.federalTimes.com) article by Carl DeMaio published March 1, 2004 entitled "Smart Shopping for Government: Performance Contracting Central to Procurement Reform" that provides guidance (emphasis added):

"Unfortunately, many agencies are ill-prepared to make the most of performance-based contracting, as most still view it as simply adding performance measurements to their statement of work and final contract. **This definition of performance-based contracting is too limited and fatally flawed. Simply adding performance measurements to old contracts and statements of work is like adding salt and pepper to yesterday's meatloaf and serving it again for dinner. Performance-based contracting is about radically changing the way goods and services are procured — shifting from activity control to performance results.** This is a big culture change for the federal contracting community, which tends to rely too much on command-and-control approaches to vendor management.

To get the biggest impact from performance-based contracting, agencies must be willing to offer their contractors greater flexibility for how work is done in exchange for more accountability for final results. Most important, performance-based contracting will impact how contractors are paid for work — moving away from contracts that allow contractors to bill for sometimes unnecessary work. Under performance-based contracting, contracts will have a fixed price with payments tied to performance milestones. Ultimately, this shift will result in clearer expectations for performance; better communication between the agency and its vendors; greater accountability for results, flexibility and innovation; and reduced costs overall.”

Based on Nevada’s Child and Family Services Review results, the Division recognizes that outcomes are not being achieved for children and families in conformity with federal government expectations. In order to improve outcomes, the Division advocates using existing best practices and lessons learned from states and federal agencies. In the context of performance contracting, the Division sees that a successful move toward implementation requires at least two vital components:

1. A team/collaborative process. Work with service providers and consumers to formulate client outcomes, indicators, data collection, performance reporting requirements and quality improvement plans (corrective actions) mandated should outcomes not be reached.
2. Establishment of Infrastructure for Performance Contracting, Training, Reporting, Monitoring, and Quality Improvements. Appropriate governmental and service provider infrastructure is necessary to support performance contracting development and implementation including performance contract monitors, quality improvement personnel, fiscal analysis units, and training.

However, all seven steps of performance based contracting, presented at the April 22, 2004 Committee meeting, should be followed to ensure that Nevada competently develops and implements new contracts. Using national lessons learned and best practices will enable Nevada to avoid pitfalls and/or failure that includes not reaching improved child and family outcomes.

- a. **Please elaborate on any problems currently being experienced with contract providers of Therapeutic Foster Care services, e. g., children being ejected by a provider or not being accepted for placement by a provider. Information provided by the Division during the meeting focused on improvements needed for the current contracting process and did not list problems.**

Response

The Division has five (5) major providers who have contracts to provide Therapeutic Foster Care. All of these providers also have contracts to provide other levels of care. The contractors for Therapeutic Foster Care are typically national and/or regional companies who provide services in other states. Locally, they have an administrative infrastructure which administrates and supports the Nevada network of contractors.

- TFC is a very desirable level of care as it closely mirrors regular family foster care and the total number of children in a home is small thus supporting more intensive services to the child. However, unlike group Levels I, II, or III, there can be no more than two children needing TFC level of care in the home and the family may have no more than two children of their own.

- During the months of February, March and April in Clark County 139 youth were referred to Therapeutic Foster Care. Twenty-two (22) youth were accepted for approximately 49 openings. Many youth are unable to be matched with an available TFC home due to the composition of the children already in the home, e.g. age, gender and risk behaviors. Nine youth were prematurely discharged from TFC during this same time period. Three of the nine youth required acute hospitalization.
 - Youth are prematurely discharged or ejected from TFC typically due to behaviors for which the provider may not be equipped to manage, e.g., sexually aggressive, delinquent or assaultive behavior.
 - These providers also serve other entities such as county juvenile services, Tribal Nations and out-of-state child welfare agencies. In some circumstances, a TFC home may change to a group level of care to meet the changing treatment needs of the child(ren) of their home.
- b. **Committee members expressed concern that a two-year time frame was identified by the Division as the period required to implement performance-based contracting to realize improvements in the contracting process. Members questioned whether improvements could be made in six-month increments versus the Division's proposal to extend current contracts for an 18-month period (expiring in January 2006), and then implementing performance-based contracting at that time. Members also asked if the contracts could be re-negotiated with improvements and not extended in their current form. Please comment.**

Response

National research shows that a minimum two-year timeframe is most appropriate for developing performance contracting in the context of child welfare systems. Some challenges to develop performance based contracts include:

1. The Division does not have the infrastructure necessary to develop and implement performance contracts. Infrastructure needs include:
 - Staff who are accountable for the development and implementation, in collaboration with providers and consumers, of performance based contracts that include standard performance indicators and outcomes, fiscal incentives/disincentives and rates, data analysis of required provider data collection, contract monitoring and quality improvement that includes the provision of technical assistance to providers.
 - Robust management functions are required for a successful performance based contracting program.
 - Training for staff on the implementation of performance contracting, monitoring and reporting.
 - Information system enhancements to allow for data collection, monitoring and reporting of outcomes under performance based contracts.
 - Fiscal staff adequate to effectuate the payment of incentives/disincentives under performance-based contracts.
2. Service providers must be involved in the development and implementation of performance contracts; training on indicators and outcomes, as well as reporting components, in order to ensure greatest likelihood of implementation success. Service provider infrastructure-building may also need to occur to allow for Nevada's implementation of performance contracting. Careful consideration of risk-sharing with

the government's child welfare system must also occur or Nevada runs the risk of putting service providers out of business and reducing services critically needed by children in foster care.

3. Lessons learned from other states' contracting processes show that a two year process is minimal for achieving successful performance based contracting development and implementation. To successfully undertake the cultural change that is required when implementing performance contracting, the Division advocates action steps based on national best practices and lessons learned in other states.

Within a six-month timeframe, the Division will likely be able to undertake the beginning steps toward performance based contracting: 1) Access national technical assistance to help assess infrastructure and contract components; 2) Put forward budget enhancement requests to the Department of Human Resources linked to performance based contracting incentives and infrastructure building, and 3) Identify the providers and consumers to sit on Division/Counties team to develop contract components. The Division does not have the staff necessary to renegotiate contracts at six-month increments; currently, the Division has just five (5) statewide staff responsible for contract development monitoring and auditing (an additional position was reassigned recently to equal the five total staff) and only one (1) fiscal compliance officer.

- c. **Please provide several examples of performance-based contracts. Using the examples submitted, please highlight and discuss the benefits or improvements as compared to the Division's current contracting process.**

Response

The Division consulted with the National Child Welfare Resource Center for Organizational Improvement regarding this issue. The Resource Center indicates that other states who have implemented performance based contracting, such as Michigan and Massachusetts, took a minimum of two full years to develop and implement this tremendous cultural change.

An excerpt of The Urban Institute's study of six state human services agencies performance based contracting is found below (see "Performance Contracting in Six State Human Services Agencies" at <http://www.urban.org>; Vinson, Elisa, September 1, 1999). Four of the six state agency examples involve child and family services performance contracting and each illustrate different types of performance contracting models that vary by amount and timing of payments, the extent to which incentives and disincentives are offered service providers, the frequency of providers' reports on performance, and the extent to which providers are involved in developing performance indicators. The state agencies' examples described below fall into two categories:

- Performance contracting that ties payments to outcomes. Oklahoma, North Carolina, and Illinois have such contracts.
- Performance contracting that contains performance specifications and outcome targets. Florida, Minnesota, and Maine have such contracts.

Performance Contracting That Ties Payments to Outcomes

These contracts make payments to providers at specific milestones or upon documentation of the final outcome or end result. Again, only child and family services state agency examples are provided here for the Committee to consider.

NORTH CAROLINA

The Division of Social Services in North Carolina's Department of Health and Human Services initiated statewide performance contracts with private adoption agencies in 1995. Public agencies must work within county boundaries to recruit and prepare adoptive parents, so private agencies are necessary to work with adoptive parents throughout the state. In 1998, the state had three private contractors; in 1999, it had four.

The contracts are funded with a combination of federal and state dollars. Once funding is exhausted, usually early in the fiscal year, the private agencies can participate in the state's Special Children Adoption Fund. This fund was created in 1997 to help both private and public agencies increase adoptions of children with special needs.

Private adoption agencies bill the state on a monthly basis when they have achieved three specific outcomes:

- Placement for the purpose of adoption (60 percent of average placement cost);
- Decree of adoption (20 percent of average placement cost); and
- One year of intact placement after the decree of adoption (20 percent of average placement cost).

The state worked with the private agencies to design the payment schedule.

Results

In fiscal year 1993-94, there were 261 adoptions in North Carolina. In FY 1995-96, when the state entered into performance contracts with three private adoption services, the number increased to 364. In 1996-97 there were 631 adoptions and in 1997-98, 603 adoptions. The special needs adoption coordinator attributes the decline in the 1997-98 number to three factors: (1) children who were easier to place were adopted earlier, in 1996-97; (2) there is a backlog of cases awaiting termination of parental rights; and (3) the children now waiting for placement have special needs.

ILLINOIS

The Department of Children and Family Services (DCFS) wanted to improve its performance in finding permanent homes for children in foster care. In 1997, it began performance contracting in its Relative Home Care caseload that tied incentives to promoting increased permanency rates and reducing instability rates for children. The state worked closely with providers in implementing the system. At the same time, the department improved the adoption services it provided to children, such as raising the amount available for reunification services from \$600 per child to \$8,000 per child.

The department increased the number of cases each caseworker (private or public) must serve per year from 25 to 33, but it held payment constant at 25 cases per year. This policy requires caseworkers to successfully place at least eight children annually through adoption, successor guardianship, or reunification with their families. If caseworkers do not place at least eight children successfully, they may find themselves working on 33 cases while being paid for 25. If the number of children per caseworker exceeds 30, the state may cancel a contract. If caseloads fall below 25 per caseworker, the agency continues to receive payments for the full 25 cases. Children coming into the system are not placed with agencies that are not performing.

DCFS regularly provides the public and private agencies under performance contracts with comparative data that rank each agency on performance. Agencies are also given the opportunity to first review, then reconcile their numbers if they disagree with the state's account.

Results

In the first fiscal year, the number of placements statewide increased from 2,411 to 5,570; placements per caseload rose from about three to six. In the second fiscal year, the number of placements reached 9,503, or about seven placements per caseload. The majority of these placements have come from the performance-based contracts.

In the first two years of performance contracting, the Relative Home Care caseload declined by 41 percent. Based on this initial success, DCFS decided to expand performance contracting to the Traditional Foster Care caseload in 1998. In the first year, Traditional Foster Care also doubled the average number of placements per caseload from about three to six.

The disruption rate after placement is no higher now than it was before performance contracting. Due to the large number of placements, more children are requiring postadoption services. In response, the state is expanding such services.

Performance Contracting That Contains Performance Specifications and Outcome Targets

These contracts do not contain specific incentives or disincentives for performance. Rather, they are meant to encourage and improve performance by including performance specifications and setting targets. As a result, these contracts usually involve a collaborative relationship between agencies and their service providers.

FLORIDA

A 1998 statute required the Department of Children and Families (DCF) to privatize all child welfare services and to base all its contracts with local service providers on performance. The legislation created district units that monitor contracts and report to district administrators.

The department has about 1,700 contracts with 1,200 providers. Performance specifications and targets are included in each contract. In 1996, a working group of district, program, and administrative staff set the same types of outcomes for similar providers across the state. Providers' performance targets are negotiated each year by the department and the provider.

Performance contracts are generally limited to one year because of the state's budget cycle; therefore, data may be received after termination of a contract. The department uses such data to address existing providers' performance.

The department encountered several challenges in the conversion to performance contracts. The first year required a lot of training—state personnel traveled to districts to explain the new contracting procedures, including how to write the contracts so as to include performance specifications. Matching the collective targets of the local contractors to overall agency targets also proved difficult. Local contractors serving populations that are not represented in state DCF agency goals were faced with measuring outcomes they believed were not within their control.

DCF is still working on standardizing its contracting procedures across provider agencies and has created a Contracted Client Services unit to help integrate contract management and monitoring. It has not yet seen changes in the outcomes of services, but there has been increased attention to outcomes within the agency. The legislature has provided 49 new positions during the past two sessions to support DCF's efforts. Staff report that the conversion to performance contracts has produced a positive change in the agency's culture.

MAINE

The 1994 legislative act requiring Maine's Department of Human Services (DHS) to make all its contracts performance-based included a provision for collaboration among people inside and outside the organization, including legislators, providers, consumers, and state personnel. The law also included a hold-harmless clause for first-year contracts. After that, performance data would be used in award decisions.

Every contract has to include performance goals, performance indicators, and a strategy for reaching the goals. DHS initially asked providers to develop performance indicators, then worked with them to decide on the most important ones. Task forces of eight persons—two DHS staff, two providers, two consumers, and two legislators—were established for each of the 43 service areas to develop goals and indicators for the contracts. Contract officers and program staff served as facilitators to the work groups, changing their roles from mostly administrative to partnering.

Originally, providers had to specify what strategies they would use to accomplish the goals set by the state and how they would measure the indicators established by the task forces. However, it became apparent to DHS that data collection for the indicators had to be standardized. Without standardization, contract officers had difficulty monitoring performance, particularly given the large number of indicators negotiated in the contract process. Further, many of the indicators lacked validity, adding to the difficulties of interpretation.

Standardization of indicators and data collection procedures was accomplished through lengthy negotiations between contractors and the state, including assistance from the University of Southern Maine's Muskie School of Public Service. The school also trains service providers in the development and use of performance indicators.

Performance contracting has caused DHS to change from a predominantly internal contracting process to one that relies upon partnerships with providers to determine the right outcomes to measure. As a result, decisions are no longer all made from the top down.

Maine does not yet have information on program results, but agency staff report that moving to performance contracting has created a new, outcome-oriented culture at DHS. More program and contract staff are thinking in terms of outcomes, and providers are requesting assistance with data collection procedures for information they need to improve local management practices.

The department has focused equally on the development of process and the development of outcome indicators for its service areas. Although the legislation deals with the impact of state programs on individuals, DHS has not yet reached that level of measurement through its contracts. The first set of performance data is due this fall, but staff at the Muskie School expect it will be another two or three years before the system is fully operational.

Summary

Performance contracting can be implemented in many ways, with variations in the design of incentive and payment systems. Systems that tie payments to outcomes tend to show results more quickly: Oklahoma, Illinois, and North Carolina are showing impressive gains. Minnesota, which does not tie payment to outcomes, has improved its results by requiring target setting and regular reporting from contractors. Maine and Florida, which initiated performance contracting in response to legislation, are attempting agency-wide implementation, and their results will bear watching. The table below illustrates positive attributes of performance contracting in various states.

Positive Attributes of Performance Contracting in Six State Agencies						
	Oklahoma	North Carolina	Illinois	Florida	Minnesota	Maine
Involves Contractors in Developing Performance Standards and Outcome Targets	X	X	X	X	X	X
Allows a Hold-Harmless Clause in First-Year Contracts	X					X
Monitors Performance with Regular Reporting	X	X	X		X	
Provides Feedback on Performance and/or Requires Corrective Action Plans	X	X	X	X	X	
Can Show Performance Results Based on Data Reported by Providers	X	X	X		X	
Provides Comparative Performance Data to Contractors			X		X	

Lessons Learned in Performance Contracting

- Work with service providers to formulate client outcomes, indicators, and targets. Try to standardize indicators and data collection procedures for particular service areas (Maine).
- Get input from providers on design of payment schedules (North Carolina).
- Gain commitment and trust from providers by including a hold-harmless clause for the first year (Maine).
- Monitor and report back to providers regularly on their performance and how it compares to that of similar providers (Illinois).
- Work closely with providers to identify difficulties in service provision and to learn about changes in the client population that will affect performance (Minnesota).
- Setting quarterly targets and monitoring them is a good practice for providers who are paid with a grant contract, especially in the absence of milestone payments (Florida).
- Consistent communication and feedback on performance help to promote accountability and maintain contractor motivation (Minnesota).
- In the absence of financial incentives for performance, public congratulations or rewards may be appropriate ways to encourage contractors with higher-than-average performance (Minnesota).

- Use past performance in deciding future awards (Oklahoma).
- Use data from providers to publicize internally and externally the results of programs. Include comparisons of results achieved by contractors providing similar services and include explanatory information where appropriate (Illinois).

The North Carolina and Illinois examples provide significant results from their performance based contracting experiences. Outcome data is not yet available from Florida and Maine, as these states are attempting a lengthier agency-wide implementation. Division contracts are currently based on activities to be performed, rather than results. The literature suggests getting buy-in and input from all stakeholders to establish the right performance measures, develop evaluation criteria and the technology to manage it, and communicating performance results can lead to significantly increased outcomes.

- d. **Budgetary information discussed at the last Committee meeting, focused on the Legislatively Approved budget for the Youth Community Services budget (101-3229) category 13, which provides for purchased residential and non-residential services. The Legislatively Approved amount for Child Welfare Placements (category 13) for FY 2004 is \$17,750,727. Regarding Therapeutic Foster Care services which are contained in category 13, please provide an estimate of the total amount to be expended for these services in FY 2004 and the corresponding breakdown of funding sources for the estimated FY 2004 expenditures.**

Response

Estimated expenditures for Therapeutic Foster Care services from B/A 3229-13 for SFY 2004 are \$2,867,000. The approximate breakdown by funding source is: 30% State, 12% title IV-E, 41% Medicaid, 1% Room and Board and Child Support, 13% Title XX, and 3% TANF.

- e. **Information submitted at the last Committee meeting stated that the Division's contracting process is significantly under-funded and that the 18-month extension period identified by the Division would allow time for the State and the counties to obtain funding necessary to successfully implement performance-based contracts. Please elaborate on those statements and provide details and examples regarding the necessary funding levels compared to current funding levels for purchased contract services.**

Response

In the Division's presentation during the April 22 Committee meeting, the Division indicated that providers have received no rate increases for the past five years. In the rate study, authorized by Assembly Bill 513, 2001 Legislative Session, the Nevada Provider Rates Task Force proposed new rates and rate setting methodologies. Illustrated below is a comparison of the average rates currently paid by the Division for residential and non-residential services and the market-level rates proposed by the Task Force.

	Average DCFS Rate	Proposed Rate	Dollar Increase	Percent Increase
ICBS	60.00	68.69	8.69	14%
Rehab Skills Training	25.00	29.00	4.00	16%
Rehab Partial Care-Day Treatment	31.00	32.63	1.63	5%
Level 1	47.00	63.50	16.50	35%
Level 2	67.00	76.00	9.00	13%
Level 3	93.00	116.00	23.00	25%
Therapeutic Foster Care	70.00	84.70	14.70	21%

As indicated in response to Question 3b, the Division does not currently have the infrastructure necessary to develop and implement performance contracts. In addition to staff needed to develop, implement and monitor contracts; fiscal incentives, staff/provider training, and information system enhancements will be required to successfully implement performance based contracting.

4. **Multi-Disciplinary Teams to Review Death of Children - Assembly Bill 381** (Chapter 164, *Statutes of Nevada*), as passed by the 2003 Legislature, became effective on July 1, 2003. The legislation amended Chapter 432B of NRS by further defining the duties of multi-disciplinary teams whose purpose is to review records of selected cases of death of children under 18 years of age. A.B. 381 also requires the Administrator of the Division of Child and Family Services to establish an Executive Committee to Review the Death of Children. The Committee is required to adopt standard protocols for the review of the death of a child and complete and distribute a statewide annual report including statistics and recommendations for regulatory and policy changes.

The bill also created the Review of Death of Children account in the State General Fund to be funded by a \$1 increase (from \$8 to \$9) for a certified copy of a certificate of death. The Executive Committee may use those funds to support the organization and functions required of child death review teams. As of the May 21, 2004 Budget Status Report in the State Accounting System, \$102,566 has been collected, with no expenditures being recorded.

Please provide an update on this subject, including the status of appointments to the Executive Committee to Review the Death of Children, and any statistics available on the activities of multi-disciplinary teams and the administrative teams who are charged with reviewing reports and recommendations provided by multi-disciplinary teams.

Response

In 2003, statewide case reviews were conducted by the Child Death Review Subcommittee (CDRS) to develop and publish a comprehensive report. This report, entitled "A Report on Child Death for the Years 1999 through 2001", was completed by the statewide CDRS in 2003 and is attached for reference. The report lists recommendations that the Subcommittee plans to address in the upcoming year. These are:

1. Evaluate, develop and submit new laws relating to Child Death Reviews.
2. Develop and implement the use of a new and improved data collection tool by all teams.
3. Write a policies and procedures manual to be distributed for use by local teams.

4. Submit a proposal to access grant funding for a Child Death Review research project to develop a uniform Child Death Review Curriculum.
5. Create a training manual with a glossary of terms for distribution to all local team members.

In March 2004, the task force met and reviewed current and historical activities of the Subcommittee. The process of child death review by the local multidisciplinary teams was provided. Statewide, referrals are received from the Coroner's Office and funneled through the multidisciplinary team coordinators, then to the teams for review and development of recommendations.

The task force also reviewed the statutes applicable to child death review. After lengthy discussion, it became clear that the roles and responsibilities of the Committee and Team were unclear. All parties agreed that a meeting was necessary to develop protocol, delineate responsibilities and to develop clear guidelines for the functioning of and interaction between the Executive Committee and Administrative Team.

In May 2004, the Administrator of the Division of Child and Family Services (Division), appointed the Executive Committee members and the Committee appointed Administrative Team members.

In May 2004, the Executive Committee and Administrative Team met jointly, in a facilitated meeting, to outline protocol, the organizational structure of each entity, develop a plan and delineate responsibilities. The Attorney General's office was requested to issue an opinion on the intent of the statutes relative to child death review for further clarification on roles and responsibilities. After productive discussions, all participants came to a consensus on the structure and function of the Committee and Team. Once this was accomplished, the Committee and Team held separate meetings.

The Executive Committee determined their leadership, the protocol they will follow to conduct future meetings, reviewed budget information, the current child death review process, reviewed previous recommendations, and elected co-chairpersons. The Committee will meet again within the next two months to develop a budget and complete tasks requested by the Administrative Team.

The Administrative Team is assessing the process currently in use by the local multidisciplinary teams in reviewing child deaths. The multidisciplinary teams, through the efforts of the task force, have designed and implemented a statewide review instrument.

A standardized report format is now being developed to establish consistent reporting by the multidisciplinary teams to the Administrative Team for review purposes. A review checklist is also being developed by the Executive Committee at the request of the Administrative Team to ensure consistent analysis of prevention recommendations made to the Team by the multidisciplinary teams. The Administrative Team will initiate the administrative review process once the report formats have been finalized and they have completed an assessment of the review process.

The Division Administrator, leadership for the Administrative Team, submitted a formal, written request to the Executive Committee to develop the report formats and submit them to the Team by the next meeting.

Also, during this May 2004 meeting, the participants heard presentations from two marketing agencies for the development of a statewide, comprehensive, educational marketing campaign for the prevention of child death. The Executive Committee will meet to discuss the information presented regarding the marketing campaign, review and develop a budget and outline key priorities for the next year. The current budget with projected expenditures through June 30, 2004 is attached.

It was agreed upon by all participants that the Committee and Team would hold one additional joint meeting to refine their collaborative roles and responsibilities and once accomplished, separate meetings would be scheduled.

Both the Executive Committee and Administrative Team will be meeting again on August 16, 2004, to review their activities, set their individual meeting schedules for the year and consider any additional joint activities that may be needed, based upon the opinion received from the Attorney General's Office.

Membership for the Executive Committee and Administrative Team and Budget Summary are in the tables below. See Appendix C for Child Death Review Report.

Executive Committee To Review the Death of Children NRS 432B.409	<u>Agency Representation</u>
Karen Dickerson, DAG Attorney General's Office	Attorney General's Office
Cynthia Huth Bureau of Family Health Services	Public Health
George Togliatti, Director Department of Public Safety	Public Safety/law enforcement
Jean Gunter, Program Officer II Health Planning & Statistics Office of Vital Records	Vital Statistics
Michelle Lucier, Supervisor Washoe County Department of Social Services	Washoe County CDR Team Coordinator
Judy New, Coordinator Clark County Department of Family Services	Clark County CDR Team Coordinator
Alice Pittsley, Program Manager Division of Child and Family Services	DCFS Carson CDR Team
Vicki Fabrizius, SW, Chair Carson CDR Division of Child and Family Services	DCFS Carson CDR Team, Chair
Paula Achurra, Program Manager Division of Child and Family Services	Fallon CDR Team
Larry Robb, Program Manager Division of Child and Family Services	Elko CDR Team

Administrative Team To Review the Death of Children NRS 432B.408	Agency Representation
Jone M. Bosworth, Administrator Division of Child & Family Services	Child Welfare Agency
Michael Capello, Director Washoe County Department of Social Services	Child Welfare Agency
Susan Klein-Rothchild, Director Clark County Department of Family Services	Child Welfare Agency
George Togliatti, Director Department of Public Safety	Law Enforcement
(Designee for George Togliatti) Lieutenant David Jones Department of Public Safety	Law Enforcement
Karen Dickerson, Deputy Attorney General Attorney General's Office	Law Enforcement
Emil De Jan, Bureau Chief Health Planning & Statistics	Vital Statistics
(Designee for Emil De Jan) Wei Yang, M.D., Biostatistician Health Planning & Statistics	Vital Statistics
Judith Wright, Chief Bureau of Family Health Services	Public Health
(Designee for Judith Wright) Cynthia Huth, RN Bureau of Family Health Services	Public Health
Carlos Brandenburg, Ph.D. Division Mental Health and Developmental Services	Mental Health
(Designee for Carlos Brandenburg) Dave Caloiaro Division Mental Health and Developmental Services	Mental Health

Budget Summary Report
Child Death Review Executive Committee and Administrative Team
State Fiscal Year 2004 as of June 1, 2004 through June 30, 2004

Description	Revenue Projected through June 30	Projected Expenditures to Date	Expenditures to Date	Balance Available
Licenses & Fees	\$106,655			\$106,655
Contract Services Facilitator Coordinator		500	\$5,166.62	(5,166.62)
Administrative Committee Travel		806		
Executive Committee Travel		1,256		
TOTAL	\$106,655	\$2,562	\$5,166.62	\$101,488.38

5. Please provide a clear and comprehensive definition of the Wraparound in Nevada (WIN) approach versus the Traditional Mental Health approach to assist in understanding the treatment provided to children diagnosed with Severe Emotional Disturbance (SED).

Response

Traditional Targeted Case Management and the Wraparound Process are two different approaches to case management that provide for coordination of services to children and families with complex needs. The Wraparound Process actually influences service delivery and hold service providers more accountable for treatment. Wraparound: an intensive intervention program that envelops a high-risk child experiencing emotional or behavioral challenges in a "wrap" of support designed to stabilize the child and family.

Children receiving both Traditional Targeted Case Management and Wraparound have access to core Mental Health Treatment to include:

1. Acute Hospitalization
2. Mental Health Residential Treatment
3. Outpatient Therapy
4. Psychiatric/Psychological Assessment
5. Medication Monitoring
6. Intensive Community Based Services (In-home therapy)
7. Day Treatment
8. Rehabilitation Skills Training
9. Respite Care
10. Flexible Funds

The following table compares traditional targeted case management to the wraparound process approach.

	Traditional Targeted Case Management Model	Wraparound Process Approach
Decision Maker	Professional	Family, with input from professionals and informal supports
Authority	Agency has power over dependent client	Agency and family are partners/collaborators and the family drives the decision-making process wherever possible
Assessment	Deficit oriented, Primarily based on diagnosis	Strengths-based, Includes family's cultural values and resources
Planning	Agency and professional driven	Child and family-driven; individualized through a collaborative team process
Plans	Multiple plans for each system	Single integrated plan
Service Types	Formal services as provided by mental health agencies	Formal services as provided by mental health agencies and informal community-based services and supports
Responsiveness	Low intensity/ appointments clinic based	Intensive/Immediate home/community based
Outcomes	Based on the elimination of symptoms	Based on goals articulated by the child, family and their team
Services/Supports	Traditional Mental Health Services i.e. Individual, Family Group Therapy etc.	Traditional mental health services and informal non-paid supports (Family, friends, faith communities, community programs, etc.)

6. Regarding the provision of mental health services to children in the foster care system diagnosed with SED, and displayed in the chart on page 21 of the February 12, 2004 meeting packet, please provide an update and clarification on the contents of the chart, including:

- a. Are all the children represented in the chart in foster care and diagnosed as SED?

Response

Yes, all the children represented in the chart are in child welfare custody and diagnosed as SED.

- b. Please provide the number of children currently receiving services as of May 31, 2004. Please identify the types and frequency of services they are receiving and the location at which they are receiving the services. An explanation should be included to compare the current number of children receiving services to the 327 budgeted.

Response

As of May 15, 2004, there were 347 active cases; 62 in the North, 52 in Rural, and 233 in the South.

Appendix D includes a summary of all WIN services accessed between May, 2002 and March 2004, a description of each service, the location of providers, and detailed information of services accessed by youth, by region. Please note that during beginning implementation phases of the WIN Program placement prevention funds were not available in all regions. In addition the Rural Region in particular does not have access to the full array of services available to the other two regions.

- c. Please clarify the total number of children served year to date in FY 2004 and since the inception of the program. Please differentiate between and explain any duplicated versus unduplicated counts. The number of cases opened, ongoing (active) and closed for FY 2004 should also be included.

Response

Chart A shows the 451 children (unduplicated) served since WIN inception. The number reflects every child that was served by the WIN program for at least one day from inception of the WIN program in May 2002 through 5/15/2004. Each of the 451 children is counted only once.

The 423 children (unduplicated) served in FY04 are in Chart B. This number reflects every child that was served for at least one day from 7/1/2003 through 5/15/2004. Each of the 423 children is counted only once. The number 423 is reached by adding the 76 terminations in FY04 to the 347 ongoing cases on 5/15/2004.

See **Appendix E** WIN Total Clients Served as of 5/15/04.

- d. The chart showed 229 active clients as of January 1, 2004. Committee members felt there should be more than this number receiving treatment at any given point in time, and that there should be children continually in the system that should be able to step into services. Also, the average cost budgeted is \$1,549 for each of the 327 children per month, and this cost may be exceeded for some children and may be less for others. Please comment on each statement.

Response

The average caseload for Win Wraparound facilitators is 10 youth. The target total caseload of 327 is the program capacity for all positions. In the month of January 2004, there were vacancies due to staff turnovers.

Region	Total Number of staff allotted	January staffing
North	7	6
Rural	7	4.5, one of whom started in January & was in training
South	20	17

\$1,549 is the projected average cost per child per month. As services are individualized according to the child's strengths and needs, the services and costs for those services are different for each child.

- e. **The estimated or actual length of service for SED children. If children are assessed as SED, are they always SED children or, through service delivery does or can their condition improve to where they are no longer considered SED?**

Response

This question is best addressed in the context of the definition of Serious Emotional Disturbance (SED) as found in the Medicaid Service Manual (Section 2502.9, pp 4-5) and summarized below. In order to qualify as SED, a child must have a mental health diagnosis that result in a functional impairment, which substantially interferes with skill development or results in impairment in major life areas. A child in treatment who no longer shows functional impairment but would show this impairment if treatment was not provided is still considered SED. The designation is made when the child meets the above criteria currently or at any time in the last year.

Given this definition, many children who originally qualify for SED will remain SED for the majority of their childhood. At the very least, they can meet criteria for one year after they no longer meet criteria for a diagnosis or show functional impairment. Because of the long-term nature of the SED designation, progress in treatment is best judged by changes in behavior and functioning as opposed to movement out of the SED criteria. However, it is possible for a child to improve to the point of no longer meeting criteria for SED. Children who would show this improvement are likely to have less severe diagnoses, more stable home or living environments and less functional impairment at the time of intake. These are not typically the children seen in state service.

An important note is that the discharge of a client from services does not mean that the client is no longer designated SED. This is due to the long-term nature of the SED definition. The following table shows length of service information on all WIN kids that have been admitted and discharged since the inception of the program. Six children that were admitted and discharged on the same day have been excluded from the table. Children that have not been admitted and discharged are not included in the table.

WIN Average Length Of Service By Region

	North	Rural	South	Total
Number of Closed Cases	40	34	30	104
Mean Length of Service	199.15	215.53	176.96	197.83
Median Length of Service	214	209.5	169	211.5
Shortest Length of Service	5	10	2	2
Longest Length of Service	452	433	621	621

7. **Please provide cost information on the WIN versus the Traditional Mental Health approach. The information should show the average cost per child served, for a like period of time and should be broken down into monthly and daily comparisons.**
Testimony during the February 12 meeting indicated that the same types of services are available to all SED children in foster care, either through WIN or the Traditional Mental

Health treatment approach. Committee members requested additional information on why one approach may be better than or not as effective as the other. Please comment. Committee members, in anticipation of budgeting for this item in the future, felt that information is required on the cost comparison of WIN to traditional services, and more importantly, an evaluation of the effectiveness of both so that decisions can be made on future budget recommendations.

Response

The U.S. Department of Health and Human Services through the Substance Abuse and Mental Health Services Administration has been funding a ten-year federal effort to support comprehensive systems of care for children with a serious emotional disturbance through out the country. The DCFS Neighborhood Care Initiative, which has been in operation the last five years in Clark County, is one of over 40 projects funded that have contributed to the base of knowledge regarding the wraparound approach. Sixteen studies conducted in 9 different states have consistently pointed to the positive outcomes of the wraparound approach. The major benefits of the wraparound approach are reduced restrictiveness of living situations and marked improvement in social, school and community functioning. Please see question 8 for a comparison of the Wrap Around approach and Traditional Mental Health. See **Appendix F** for Cost Comparison conducted during the pilot phase. Currently, Medicaid rehabilitative services data is not available preventing the Division from replicating pilot phase cost comparisons to the fully implemented WIN program serving hundreds of children.

8. Members requested information on how funds are expended in comparison to the various stages that a child receiving services is in. For example, is the cost expected to be higher when a child is in crisis in an early stage of treatment compared to when they may be stabilized/maintained in a later stage or phase of treatment?

Response

Ideal treatment progress would certainly show a gradual improvement in symptoms dovetailing with a gradual decrease in the intensity and cost of treatment. Children in crisis often require more intensive team involvement, frequent therapy and psychiatric services, residential placement and/or hospitalization. The phase of treatment following this crisis often includes coordinated child and family teams, rehabilitation services (day treatment, group home placement, skill training, parent education etc.), psychiatric management and therapy. As the child progresses, the overall intensity and cost of treatment decrease as well. The intensity and cost should then stabilize at the point where a child is treated at the least restrictive level of care necessary to maintain functioning. However, many children with SED are expected to show periodic crisis due to the nature of their disorder or unpredictable family environments.

9. Testimony during the February 12 meeting mentioned waiting lists. Please provide specific information including the number of foster children on the waiting list for SED services, the type of services they are waiting for, and how long they are waiting for services.

Response

Wait List Information for March 2004

Northern Nevada Child and Adolescent Services

1. What is the number of foster care (Washoe County and DCFS custody) children that are on the wait list for SED services? 12
2. What type of DCFS services are they waiting for?

WIN - 0
Outpatient - 11
Residential - 1

3. For youth on the wait list on March 31, 2004, referrals for services were made:

4 referrals were made in February 2004
8 referrals were made in March 2004

Southern Nevada Child and Adolescent Services

1. What is the number of foster care (DCFS custody) children that are on the wait list for SED services? 33
2. What type of DCFS services are they waiting for?

WIN - 5
Outpatient - 19
WIN or Outpatient - 3
Residential - 6

3. For youth on the wait list on March 31, 2004, referrals for services were made:

1 referral was made in June 2003 (out of state placement not ready for discharge on 3/31/04)
1 referral was made in September 2003
3 referrals were made in October 2003
2 referrals were made in November 2003
2 referrals were made in December 2003
2 referrals were made in January 2004
12 referrals were made in February 2004
7 referrals were made in March 2004

Rural

1. What is the number of foster care (DCFS custody) children that are on the wait list for SED services? 30
2. What type of DCFS services are they waiting for?

Outpatient/Rural clinics - 20
WIN - 10

3. How long have youth on the wait list on March 31, 2004 been waiting for services?

Outpatient – estimated 2 to 8 weeks, different for each Rural Clinic\
WIN – average of 2 weeks

10. Please provide additional information on the chart on page 22 of the February 12 meeting packet that displayed WIN Program outcomes. Please include the calculations that resulted in the percentages in the chart, and the breakout between reunified and adopted.

Response

Following are details of the calculations used to determine the percentages in the chart on page 22 of the February 12 meeting packet that displayed WIN program outcomes.

North Calculation= (11 re-unif + 4 adop) / (11 re-unif + 4 adop + 12 not adop or re-unif).
Rural Calculation= (14 re-unif + 0 adop) / (14 re-unif + 0 adop + 30 not adop or re-unif).
South Calculation= (12 re-unif + 4 adop) / (12 re-unif + 4 adop + 38 not adop or re-unif).

Note on North:

Since the chart on page 22 of the February 12 meeting packet was distributed it was discovered that one additional child had been re-unified thereby raising the percent from 50.0% to 55.6%.

See **Appendix G** Children Served at Least 6 Months Who have Achieved Re-unification or Adoption to Date.

See **Appendix H** WIN Wrap Facilitator Caseload as of 5/15/04.

11. **Please include an explanation of the \$1,532,659 expended for SED services year-to-date in the Child Welfare Integration budget (101-3142), as shown on the latest budget status report, copy enclosed. Please include a narrative explanation for each general ledger number, briefly explaining the purpose of the expenditure. The total approved amount for SED services in FY 2004 is \$5,991,228.**

Additionally, please include a status report on revenues for these SED related expenditures, including the amount of federal revenue (primarily Medicaid) that has been billed, and the amount actually collected year-to-date supporting the actual recorded expenditures.

Response

Appendix I provides a narrative summary of all expenditures as of June 4, 2004, as well as the estimated federal revenue.

Please provide follow-up information on the question posed for the February 12 meeting regarding the suggestion to move children's mental health services to the Division of Mental Health and Developmental Services. Please include the pros and cons on this suggestion. Would the Department of Human Resources benefit from a separate Director of Children's Mental Health Services position? Is a separate Division of Children's Mental Health Services needed? If so, please provide comment on how it would affect other agencies, i.e. Rural Clinics.

Response

The creation of DCFS mirrors the system overlap displayed by a high percentage of youth with Serious Emotional Disturbance (SED). The characteristic multi-system involvement of these youth is the driving force behind national treatment models that stress an integrated multidisciplinary and system of care approach to treating SED youth. It stands to reason that a division that is structured to administrate all child-serving agencies can best enact this integrated approach. Strategic planning at a division level provides a model for the individualized case planning that requires the interaction, coordination and cooperation of agencies caring for children in the mental health, child welfare, and juvenile justice arenas. When these agencies are not administered in single division, a silo effect can emerge in which children are treated independently and redundantly across these three approaches. Families and children become confused, outcomes are compromised, and resource (human and fiscal) expenditures are duplicative.

In practice, DCFS in Nevada has modeled a collaborative approach in which the needs of individual children are prioritized higher than the needs of individual agencies. Benefits of the DCFS system are as follows:

- SED children are most often served by multiple child serving agencies such as child welfare, mental health, and juvenile justice. The complex needs of SED children are best met within a single agency that provides a comprehensive and coordinated continuum of care.
- A single agency including juvenile justice and mental health is best positioned to provide coordinated service delivery to mentally ill youth in the juvenile justice system. These youth have received increasing national and statewide focus for their unique needs and the challenges they pose for the juvenile justice system.
- DCFS is uniquely positioned to meet the mental health needs of SED children without requiring parents to relinquish custody through the child welfare or juvenile justice systems.
- The Wraparound in Nevada initiative brings professionals from many settings together with families to make coordinated service plans that keep children safe, protect the community from youthful offenders and provide treatment to SED children.
- National wraparound and Nevada DCFS data suggests that the use of the wraparound process produces positive outcomes such as moving children to less restrictive levels of care and reunification.
- DCFS has a proven track record of maximizing federal resources, and is the recipient of several mental health, child welfare and juvenile justice grants. The combined nature of DCFS makes for a favorable leveraging of federal funds for mental health treatment across these three systems.
- The service array within DCFS has uniquely positioned the Division to collaborate with county child serving agencies as a part of the Children's Mental Health Consortia.
- DCFS has made a full array of specialized services available to children in parental custody. Resources such as acute care placement and mental health rehabilitative services are used as alternatives to custodial care by DCFS.

Potential Pitfalls for Mental Health Services in a multi-disciplinary agency Division

- Children's mental health is the sole agency within DCFS that does not maintain control and custody of children. Child Welfare and Youth Corrections/Parole agencies act as custodians of youth as well as providers of services to youth. A natural tendency is to prioritize resources that contribute to the actual rearing of children over mental health treatment for children. Children's Mental Health programming can be placed in a competitive position with child safety and community safety. It stands to reason that safety comes before treatment.
- The current structure of DCFS is to regionalize the management of mental health services across three regions without a centralized Coordinator of Mental Health serving under the DCFS Administrator. Regional leadership may not adequately provide for statewide policies, quality assurance and advocacy for children's mental health.
- No infrastructure increases were made with the creation of DCFS and the adding of programs such as Wraparound in Nevada and Transition of Youth from Foster Care did not include infrastructure building components necessary for effective operations (e.g. fiscal staff, administrative support staff, and managerial staff).

Opportunities for change and improvement

A review of the pros and cons of maintaining children's mental health in DCFS indicate that the benefits of an integrated child serving Division far outweigh the drawbacks. The following suggestions can further tip the balance by addressing the unique challenges of an integrated system.

- Establish a statewide Coordinator of Children's Mental Health within DCFS. This position could provide statewide leadership, advocacy and subject matter expertise while preserving the integrated and regional nature of services in DCFS. The Division plans to use Community Mental Health Services Block Grant monies to fund this statewide leadership position; DCFS will be asking for this to be a state employee position at the September Interim Finance Committee. The Division is also proposing that a statewide Juvenile Services Mental Health Coordinator position be created using CMHS Block Grant monies.
- Legislative committees could realign Wraparound funding to include the appropriate management, fiscal and support services infrastructure for statewide programming consistency.
- Review service patterns and waitlist differences between DCFS and MHDS to insure that DCFS has kept pace with growth in adult mental health services infrastructure.
- Establish liaisons between DCFS and MHDS regarding mental health service provided to children by Rural Clinics in addition to the child-to-adulthood transition manager.
- Review the needs for residential services (managed by DCFS) for rural youth to insure adequate and equitable access.
- Conduct a comprehensive review of funding sources for children's mental health with an eye towards a more balanced state and federal funding mix.

Department of Human Resources Position

The Department of Human Resources (DHR) recognizes that frequent large-scale reorganizations of staff and altered accountability for service provision creates tremendous system challenges that reduce both short-term and potentially long-term effectiveness of service delivery to Nevadans as well as outcomes that are produced. This reduction in effectiveness is often based on a need to increase or realign fiscal resources and build a new, appropriate infrastructure to support such a systemic change. According to available organizational improvement research, reduction in effectiveness and outcome achievement is often due to the impact on staff and organizational culture that comes from mergers or system reorganizations.

DHR does not support moving children's mental health services to the adult mental health system. While access and infrastructure improvements could be made, a unified children's services division is the most effective way to ensure that Nevada's children receive child and family centered service delivery.

cc: Michael J. Willden, Director, Department of Human Resources
Diane Comeaux, Deputy Administrator, Division of Child and Family Services
Theresa Anderson, Deputy Administrator, Division of Child and Family Services

APPENDIX D

Documents Relating to Funding of the Child Welfare System

- Summary of Funding Approved by the 2003 Legislature
- Letter from Governor Kenny C. Guinn to the 2003 Legislature
- Letter from the Department of Human Resources (July 27, 2004)

Summary of Legislatively Approved Funding For Child Welfare Services 2003-05 Biennium

1. Total Statewide Funding for Child Welfare Services

Expenditures	FY 2004	FY 2005
DCFS* - Central Office/Rural Services/Higher Levels of Care**	\$63,451,149	\$66,204,810
Clark County	\$30,971,497	\$33,267,377
Washoe County	\$11,275,720	\$12,228,747
DCFS – Statewide SED Costs for 327 children	\$5,991,228	\$6,223,590
Total	\$111,689,594	\$117,924,524

*Includes costs in DCFS Administration (101-3145), Youth Community Services (101-3229), UNITY/SACWIS (101-3143), Child Welfare Integration (101-3142) and Child Care Services (101-3149).

**The approved figures include funding for Title XIX Medicaid Medical expenses for foster children that were transferred to the Medicaid budget in the Division of Health Care, Financing and Policy. The funding will continue to be expended on care for foster children, but will be accounted for directly in the Medicaid budget. The amounts are \$21.5 million in FY 2004 and \$23 million in FY 2005.

Funding

Funding Source	FY 2004	Percentage	FY 2005	Percentage
General Fund	\$59,096,882	52.9%	\$64,856,226	55.0%
Federal Funds	\$51,258,991	45.9%	\$51,672,596	43.8%
Other Funds*	\$1,333,721	1.2%	\$1,395,702	1.2%
Total	\$111,689,594	100%	\$117,924,524	100%

*Other funds include fees, trust funds, child support payments, and rental income.

2. Child Welfare Integration budget (101-3142) – Established in FY 2002, primarily to transfer resources to Clark and Washoe Counties.

Expenditures	FY 2004	FY 2005
DCFS-Regulatory Oversight	\$677,291	\$649,561
DCFS-Rural Match up	\$556,544	\$559,709
DCFS-Statewide SED Costs	\$5,991,228	\$6,223,590
DCFS-SACWIS/UNITY Compliance	\$108,782	\$114,121
DCFS-Information Technology Assessment	\$42,280	\$29,226
Clark County Ongoing Costs	\$30,971,497	\$33,267,378
Washoe County Ongoing Costs	\$11,275,721	\$12,228,747
Total	\$49,623,343	\$53,072,332

Funding

Funding Source	FY 2004	Percentage	FY 2005	Percentage
General Fund	\$29,544,135	59.5%	\$31,986,727	60.3%
Federal Funds	\$19,053,524	38.4%	\$19,997,887	37.7%
Other Funds	\$1,025,684	2.1%	\$1,087,718	2.0%
Total	\$49,623,343	100%	\$53,072,332	100%

3. **Assembly Bill 470, 2003 Legislative Session, authorized the balance forward of unexpended funds from FY 2003 to FY 2004, that were originally appropriated by Assembly Bill 1 of the 17th Special Session (2001).**

Expenditures	FY 2004
Retirement Buyout	\$393,929
Clark County One-Shot-Information System Costs	\$358,429
Total General Fund Appropriation	\$752,358

4. Approved Positions for Clark and Washoe Counties

Clark County

Transfer of existing DCFS positions	139.06 FTE
New DCFS positions to be filled and transferred to Clark Co.	15.00 FTE
New Positions-Equivalent Value of positions to Clark County	<u>25.00 FTE</u>
Total Positions	179.06 FTE

Washoe County

Transfer of existing DCFS positions	53.08 FTE
New DCFS positions transferred to Washoe County (AB 1)	3.00 FTE
New Positions-Equivalent Value of positions to Washoe County	<u>6.00 FTE</u>
Total Positions	62.08 FTE

5. Implementation Schedule and Position Transfers

Clark County

The three major intervals identified for the transfer of positions and responsibilities to Clark County are October 2003, April 2004 and October 2004.

- October 2003 – 10.51 FTE positions were transferred
- April 2004 – 42.04 FTE positions will be transferred

- October 2004 – 101.51 FTE positions will be transferred

Washoe County

The transfer of responsibilities and resources to Washoe County is substantially complete. A total of 62.08 existing positions and/or their equivalent salary values have been transferred to Washoe County.

6. Major elements that the approved funding provides for:

- 1 to 28 staff to child caseload ratios
- \$21 per day foster care reimbursement rate
- Enhancement of resources and services in rural Nevada to “match up” to Washoe and Clark Counties
- Increased access to mental health services for 327 SED foster children
- Projected caseload increases in Substitute Care, Adoption Subsidies and in Higher Levels of Care

7. Transition from Foster Care Budget Account

- Established in FY 2002 to administer funds for assisting youth transitioning out of foster care. No expenditures occurred in FY 2002.
- In FY 2003, approximately \$1.8 million was available, with expenditures totaling \$208,624
- In FY 2004 year to date, approximately \$2.1 million is available, with expenditures totaling \$153,070



OFFICE OF THE GOVERNOR

KENNY C. GUINN
Governor

MEMORANDUM

To: Senator William Raggio, Chair, Senate Finance Committee
From: Governor Kenny C. Guinn *Kenny C. Guinn*
Re: Child Welfare Future Funding Plan
Date: May 20, 2003

Dear Senator Raggio:

I am writing to reaffirm my support of the Future Funding Plan which is outlined in the Executive Budget for the Child Welfare Future Funding Plan and program integration. This plan has been briefed before the Senate Finance Committee by the Division of Child and Family Services. The details of the Future Funding Plan are specifically referenced in the documents provided and attached, "Child Welfare Integration (B A 3142)," pages 21-23.

After many hours of negotiation with Washoe and Clark counties, and the Legislature, I felt that it was necessary to put forth a specific and well-defined Child Welfare Future Funding Plan. I directed that the plan should not unfairly burden the State and the State would establish the principles for all future funding. I appreciate greatly the hours of work that have gone into developing this plan and thank those from the Nevada Legislature, counties of Washoe and Clark and my colleagues at the Nevada Department of Human Resources.

cc: Senator Raymond Rawson, Vice Chair
Senator Dean Rhoads
Senator Barbra Cegavske
Senator Sandra Tiffany
Senator Bob Coffin
Senator Bernice Mathews

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

**CHILDWELFARE INTEGRATION
FUTURE FUNDING PLAN**

AB1/HISTORY

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

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

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

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

**STATE OF NEVADA
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DIVISION OF CHILD AND FAMILY SERVICES**

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

WHAT WAS THE PLAN?

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

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

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

THE EXECUTIVE BUDGET FOR THE 2003-2005 BIENNIUM

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

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

The Executive Budget includes:

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

**STATE OF NEVADA
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DIVISION OF CHILD AND FAMILY SERVICES**

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

FUTURE FUNDING AFTER THE 2003-2005 BIENNIUM

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

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



DEPARTMENT OF HUMAN RESOURCES
DIRECTOR'S OFFICE
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July 27, 2004

MEMORANDUM

TO: Larry Peri, Senior Program Analyst
Fiscal Analysis Division, Legislative Council Bureau

Allison Combs, Chief Principal Research Analyst
Research Division, Legislative Council Bureau

FROM: Mike Willden, Director

RE: Child Welfare System Recommendations

1. **Development of a Funding Formula** – As you know, Assembly Bill 1, as approved by the 17th Special Session of the 2001 Nevada Legislature, required that the Division of Child and Family Services develop a plan for funding the provision of child welfare services in Nevada. At the February 12, 2004, meeting of the Committee, you discussed the status of the funding formula and referred the Committee to the May 30, 2003, letter from Governor Kenny C. Guinn concerning the Child Welfare Future Funding Plan. Presented during the 2003 Regular Session, the attachment to the letter explained that the "Executive Budget for the 2003-2005 biennium does not utilize the funding plan suggested by the interim work group. The 'swap' of Long-Term Care costs for certain back-end services (salaries, benefits and operating) was determined to be too risky with regard to future years growth." The Executive Budget included funding to maintain integration in Washoe County and to phase in the integration plan in Clark County, but no plan for funding the child welfare system in future years was addressed.

Please provide an update on any efforts during this biennium to develop such a funding formula. In addition, please provide an overview of the current strategy for funding of the Child Welfare System in Clark and Washoe County for the 2005-07 biennium.

RESPONSE:

The 'swap' of Long-Term Care costs for certain "back-end" Child Welfare services is still risky to both the state and two counties involved. The current position is that until there has been at least one year of full operational experiences, enough information does not exist to make an informed decision. As such, the budget process for the next biennium is that both the DCFS and the two counties are directed to prepare budgets using the budget instructions issued by the state budget office and to adhere to the principles

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outlined in the Governor's letter to the 2003 Legislature (caseload growth, staffing ratios, fostercare payments, etc.). DCFS budget staff will work with the counties to finalize budgets in the required budget format. Separate budget accounts will be created to identify costs for Clark County and Washoe County, rather than using the combined integration budget now used.

2. **Higher Levels of Care** – As you are aware, although the costs of providing higher levels of care were not included in the future funding formula developed prior to the 2003 Legislative Session or in the transition of services to Clark and Washoe Counties, the responsibility for the costs of providing higher levels of care within the child welfare system has been a concern throughout the integration process. Please provide an update on any developments involving the potential transfer of responsibilities for higher levels of care from the State to Clark or Washoe County. If no transfer of responsibility for these services is anticipated in the 2005-07 biennium, please explain the planned method of funding the costs of the services.

RESPONSE:

Nevada's bifurcated Child Welfare System will not truly be integrated unless one agency in each region manages all levels of care. If one agency manages the front-end of the system and family foster care and another manages higher levels of care, there will always be the potential for conflict. Nevada needs to continue to work towards a truly integrated system in each region of the state. This being noted, currently there is no consensus to transfer the management of higher levels of care to Washoe or Clark County.

Washoe County's testimony over the past several months has indicated a transfer is premature. They have indicated it is not clear that transitioning higher levels of care would result in improved services to children and families and that for the most part services associated with higher levels of care are available in Washoe County. They have decreased placement in higher levels of care from 172 to 100 children, a 42% decline.

Clark County has indicated they are not prepared to take on additional pieces of the integration puzzle in light of increasing caseloads and the multiple systemic improvements now underway.

State and County staff are stretched to the limit trying to manage the phased integration already underway, revising cost allocation plans and securing federal funding, responding to the Child and Family Services Review and required performance improvement plans.

Clearly, we need to focus on the need for more therapeutic foster homes, the rate structure for TFPs and performance based contracting. These improvements can be made in the near-term without transferring management of higher levels of care to the counties or restructuring the funding formula.

The method of funding higher levels of care is planned to be the same in the 2005-2007 biennium as it is now. Case managers (state or county) can access TFPs or institutional

care through Utilization Review Teams (URT). These groups function as "gatekeepers" to insure that the children placed into this level of care are truly in need of such care. This process is required to utilize Medicaid funding to help pay for services (not room and board) rendered. Title IV-E funds are used to pay for room and board. State general funds are used as match for both Medicaid and IV-E.

Your letter also asked if I had any recommendations to improve the Child Welfare System. I would direct you to the July 23, 2004, memorandum from Jone Bosworth, DCFS Administrator. I fully support these recommendations.

cc: Jone Bosworth, DCFS

APPENDIX E

Letter to the Department of Human Resources
Regarding Assistance with Medicaid Issues

RAYMOND D. RAWSON, DDS, MA

SENATOR

Clark County District 6

ASSISTANT MAJORITY FLOOR LEADER

COMMITTEES:

Chairman

Human Resources and Facilities

Vice Chairman

Finance

Member

Legislative Affairs



State of Nevada Senate

Seventy-Second Session

October 15, 2004

DISTRICT OFFICE:

2217 Scarlet Rose Drive
Las Vegas, Nevada 89134-5905
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401 S. Carson Street
Carson City, Nevada 89701-4747
Office: (775) 684-6551;
(775) 684-1475 or 684-1401
Fax No.: (775) 684-6522

Michael J. Willden, Director
Department of Human Resources
505 East King Street, Room 600
Carson City, Nevada 89701-3708

Dear Director Willden:

As Chairman of the Committee on Children, Youth and Families, I am writing to you on its behalf to request your consideration, as Director of the Department of Human Resources (DHR), of a proposal advocated by the Committee at its August 12, 2004, work session. As you are aware, throughout the course of the study, the members of the Committee received testimony from individuals providing vitally important services to youth within the foster care system.

Unfortunately, many of these providers are experiencing financial and administrative challenges with the State's Medicaid system, particularly reimbursements. Following the meetings in which these concerns have been raised, you and your staff have worked diligently with the providers to resolve the problems they are experiencing, and the Committee members appreciate all of your time and work in this area. In listening to the testimony from the providers and agency staff, members of the Committee noted that some of the problems might have been addressed at an earlier point, but the providers were not able to identify or contact the person best able to assist them.

Therefore, at its work session, the Committee adopted a recommendation to urge the Department of Human Resources to designate a person to be responsible for ensuring that issues involving Medicaid coverage for abused or neglected children, including payment for providers, are addressed appropriately. The Committee recommended that the designated person also serve as the primary contact for inquiries from Medicaid providers involving children in the custody of a child welfare agency. Further, the Committee suggests that the designated person be responsible for determining the number of Medicaid providers needed to

Director Michael J. Willden

Page 2

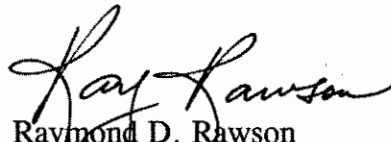
October 15, 2004

serve the needs of children in the custody of a child welfare agency, and report any shortages to the Director of the Department.

On behalf of the Committee, I urge you to consider this recommendation as a method of improving the child welfare system as a whole. Members of the Committee recognize your commitment to the important task of providing the best services possible to our most vulnerable children, and appreciate the tremendous assistance you and your staff provided throughout the interim.

Thank you for your consideration of this recommendation, and please notify the Committee through its staff of any decisions made on this issue. I look forward to hearing from you.

Sincerely,



Raymond D. Rawson
Nevada State Senate

RDR/cb: CYF L29

cc: Members of the Committee

Jone M. Bosworth, Administrator, Division of Child and Family Services, DHR

Michael Capello, Director, Washoe County Department of Social Services

Susan Klein-Rothschild, Director, Clark County Department of Family Services

APPENDIX F

Letter to Governor Kenny C. Guinn Regarding
Assistance for Youth “Aging Out” of the Foster Care System

RAYMOND D. RAWSON, DDS, MA

SENATOR

Clark County District 6

ASSISTANT MAJORITY FLOOR LEADER

COMMITTEES:

Chairman

Human Resources and Facilities

Vice Chairman

Finance

Member

Legislative Affairs



State of Nevada Senate

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October 15, 2004

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Fax No.: (775) 684-6522

The Honorable Kenny C. Guinn
Governor of Nevada
Office of the Governor
101 North Carson Street, Suite 1
Carson City, Nevada 89701-4786

Dear Governor Guinn:

As Chairman of the Committee on Children, Youth, and Families, I am writing to you on its behalf to request that you consider including funding in The Executive Budget for the 2005-2007 biennium for two proposals to help youth aging out of the foster care system. As you are aware, this population is one of our State's most vulnerable, and the members of the Committee strongly support opportunities to assist these children as they transition into adulthood.

During the course of its work over the 2003-2004 interim, the Committee revisited two measures it recommended to the 2003 Legislature that ultimately did not pass. As you may recall, the measures recommended by the Committee in the 2001-2002 interim proposed the following:

1. **Medicaid Coverage** - Include in the State Plan for Medicaid a requirement that young adults who have "aged out" of foster care are eligible for Medicaid. Eligibility for this coverage was authorized by the federal government in 1999 under the Foster Care Independence Act. Coverage is limited to 18, 19 and 20 year olds.
2. **Extended Services to Youth** - Authorize child welfare agencies to continue to provide services to a child in the foster care system after the child turns 18 years old if the child is enrolled as a student at a university, college, trade school, or technical school. Authorization to provide services would cease when the child turns 21 years of age.

October 15, 2004

Although it appears there is wide support for the policy behind these two proposals, the major challenge is the cost. Based upon the testimony from child welfare agencies and foster care youth during the interim, a need still exists for these services, and the Committee voted at its work session on August 12, 2004, to redraft the two measures from the 2003 Session. The Committee also voted to contact you directly and request that you consider including the necessary funding for the proposals in The Executive Budget for the 2005-2007 biennium. At the request of the Committee, the Department of Human Resources has prepared an updated fiscal analysis of the estimated cost of the two proposals, and a copy of this analysis is enclosed for your consideration, along with the bills from the 2003 Session.

The members of the Committee look forward to working with you in the future on issues involving the child welfare system. On behalf of the Committee, I would like to thank you for your consideration of this request and for your continued support of efforts to improve Nevada's child welfare system.

Sincerely,



Raymond D. Rawson
Nevada State Senate

RDR/cb: CYF L27

Enc.

cc: Members of the Committee

Michael J. Willden, Director, Department of Human Resources (DHR)

Jone M. Bosworth, Administrator, Division of Child and Family Services, DHR

Michael Capello, Director, Washoe County Department of Social Services

Susan Klein-Rothschild, Director, Clark County Department of Family Services

ASSEMBLY BILL NO. 5—COMMITTEE ON
HEALTH AND HUMAN SERVICES

(ON BEHALF OF LEGISLATIVE COMMITTEE ON CHILDREN,
YOUTH AND FAMILIES (NRS 218.53723))

PREFILED JANUARY 27, 2003

Referred to Committee on Health and Human Services

SUMMARY—Requires Director of Department of Human Resources to include in State Plan for Medicaid requirement that young adults who have “aged out” of foster care are eligible for Medicaid. (BDR 38-691)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets [~~omitted material~~] is material to be omitted.

AN ACT relating to public welfare; requiring the Director of the Department of Human Resources to include in the State Plan for Medicaid a requirement that young adults who have “aged out” of foster care are eligible for Medicaid; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 422 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 ***1. The Director shall include in the State Plan for Medicaid a***
4 ***requirement that an independent foster care adolescent is eligible***
5 ***for Medicaid.***

6 ***2. As used in this section, “independent foster care***
7 ***adolescent” means:***

8 ***(a) A person described in 42 U.S.C. § 1396d(w)(1), as that***
9 ***section existed on July 1, 2003; or***



1 **(b) If the Director specifies a different category of adolescents**
2 **in the manner set forth in 42 U.S.C. § 1396a(a)(10)(A)(ii)(XVII),**
3 **as that section existed on July 1, 2003, a person who is within**
4 **such a category.**

5 **Sec. 2.** NRS 422.240 is hereby amended to read as follows:

6 422.240 1. Money to carry out the provisions of NRS
7 422.001 to 422.410, inclusive, **and section 1 of this act**, and
8 422.580, including, without limitation, any federal money allotted to
9 the State of Nevada pursuant to the program to provide Temporary
10 Assistance for Needy Families and the Program for Child Care and
11 Development, must be provided by appropriation by the Legislature
12 from the State General Fund.

13 2. Disbursements for the purposes of NRS 422.001 to 422.410,
14 inclusive, **and section 1 of this act**, and 422.580 must be made upon
15 claims duly filed, audited and allowed in the same manner as other
16 money in the State Treasury is disbursed.

17 **Sec. 3.** This act becomes effective on July 1, 2003.



NRS - Chapter 422**Young Adults who have aged out of Foster Care**

It is estimated approximately 187 children/adolescents would participate in this program each fiscal year. There are approximately 373 children/adolescents in the 18 to 20 year old age group covered by this bill. It is estimated half of these individuals would not access the program for the following reasons: Not a Nevada Resident, not willing to participate, incarcerated, or eligible for another Medicaid program. The Foster Care Independence Act establishes a new optional Medicaid eligibility group for "independent foster care adolescents". This estimate assumes the state will take full advantage of this Medicaid option, and provide categorical eligibility to this group without regard to income status. No income or resources test would be required for these children.

CPE \$762.13 * 187 recipients * 12 months = SFY06	\$ 1,710,220
CPE \$800.24 * 187 recipients * 12 months = SFY07	\$ 1,795,739

BDR 38-691 would increase BA 3243 Cat 12 by \$1,462,953 for SFY04 and \$1,468,204 for SFY05.

BA 3243**Sections 2 of BDR 38-691**

BDR 38-691 would have a direct impact on the General Fund of BA 3243 as it would increase Category 12 Current Year Med Pays and would increase GL 2501 -Appropriation Control.

	Fed	State
SFY06 FMAP	56.00%	44.00%
SFY07 FMAP	56.00%	44.00%

	SFY06	SFY07
GL 2501 Appropriation Control	\$ 752,497	\$ 790,125
GL 3511 Fed Title XIX	\$ 957,723	\$ 1,005,614
Cat 12 Current year Medical Payments	\$ 1,710,220	\$ 1,795,739

BA 3233 Welfare Field Services

It is estimated approximately 187 children/adolescents would participate in this program each fiscal year. In order to determine eligibility and provide ongoing case management, the Welfare Division would need one position effective 10/1/05 and an additional position effective 1/1/07. Payroll and associated costs in the Field Services budget are listed below.

	Fed	State
SFY04 FMAP	50.00%	50.00%
SFY05 FMAP	50.00%	50.00%

	SFY06	SFY07
GL 2501 Appropriation Control	\$ 20,010	\$ 38,326
GL 3872 Fed Title XIX	\$ 20,010	\$ 38,326
Total Revenue	\$ 40,020	\$ 76,652

Cat 01 Personnel Services	\$ 31,004	\$ 64,061
Cat 04 Operating	\$ 3,628	\$ 6,744
Cat 05 Equipment	\$ 3,018	\$ 3,018
Cat 26 Information Systems	\$ 2,000	\$ 2,089
Cat 59 Utilities	\$ 370	\$ 740
Total Expenditures	\$ 40,020	\$ 76,652

NRS - Chapter 422**BA 3228 Welfare Administration**

It is estimated that it will cost \$106,500 to create a new aid code in NOMADS in FY06 and \$13,520 a year thereafter for operations and maintenance. These costs in the Welfare Administration budget are listed below.

	Fed	State
SFY06 FMAP	50.00%	50.00%
SFY07 FMAP	50.00%	50.00%
	SFY06	SFY07
GL 2501 Appropriation Control	\$ 53,250	\$ 6,760
GL 3872 Fed Title XIX	\$ 53,250	\$ 6,760
Total Revenue	\$ 106,500	\$ 13,520
7210 DoIT facility	\$ -	\$ 5,000
7212 DoIT SPD	\$ 106,500	\$ 8,520
Total Expenditures	\$ 106,500	\$ 13,520

SUMMARY

	SFY06	SFY07
BA 3243 GL 2501 Appropriation Control	\$ 752,497	\$ 790,125
BA 3243 GL 3511 Fed Title XIX	\$ 957,723	\$ 1,005,614
BA 3233 GL 2501 Appropriation Control	\$ 20,010	\$ 38,326
BA 3233 GL 3872 Fed Title XIX	\$ 20,010	\$ 38,326
BA 3228 GL 2501 Appropriation Control	\$ 53,250	\$ 6,760
BA 3228 GL 3872 Fed Title XIX	\$ 53,250	\$ 6,760
Total Revenue	\$ 1,856,740	\$ 1,885,911
BA 3243 Cat 12 Current year Medical Payments	\$ 1,710,220	\$ 1,795,739
BA 3233 Cat 01 Personnel Services	\$ 31,004	\$ 64,061
BA 3233 Cat 04 Operating	\$ 3,628	\$ 6,744
BA 3233 Cat 05 Equipment	\$ 3,018	\$ 3,018
BA 3233 Cat 26 Information Systems	\$ 2,000	\$ 2,089
BA 3233 Cat 59 Utilities	\$ 370	\$ 740
BA 3228 GL 7210 DoIT facility	\$ -	\$ 5,000
BA 3228 GL 7212 DoIT SPD	\$ 106,500	\$ 8,520
Total Expenditures	\$ 1,856,740	\$ 1,885,911

Effect on Future Biennia

It is anticipated future revenue/expenditures would be two times SFY07 assuming caseload and CPE remains stable.

ASSEMBLY BILL NO. 25—COMMITTEE ON HEALTH AND HUMAN SERVICES

(ON BEHALF OF LEGISLATIVE COMMITTEE ON CHILDREN,
YOUTH AND FAMILIES)

PREFILED JANUARY 29, 2003

Referred to Committee on Health and Human Services

SUMMARY—Makes various changes concerning provision of
public services for children. (BDR 38-690)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: Yes.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~{omitted material}~~ is material to be omitted.

AN ACT relating to children; authorizing an agency which provides
child welfare services to enter into agreements with
certain persons for the provision of maintenance and other
services; authorizing an employee of such an agency to
provide maintenance and special services to certain
children under certain circumstances; providing a penalty;
and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** Chapter 432 of NRS is hereby amended by adding
2 thereto a new section to read as follows:
3 ***1. A child may enter into an agreement with an agency which***
4 ***provides child welfare services to continue to receive maintenance***
5 ***and special services if the child is enrolled as a student at a***
6 ***university, college, trade school or technical school. Such an***
7 ***agreement must be approved by a court.***
8 ***2. At intervals specified in the agreement by the agency which***
9 ***provides child welfare services, the child must submit to the***
10 ***agency which provides child welfare services documentation***
11 ***evidencing his enrollment as a student at a university, college,***
12 ***trade school or technical school.***



1 3. *The term of any agreement entered into pursuant to*
2 *subsection 1 must not extend beyond the 22nd birthday of the*
3 *child.*

4 4. *Subject to the approval of the court, the agreement may be*
5 *terminated by:*

6 (a) *Mutual agreement; or*

7 (b) *The agency which provides child welfare services if the*
8 *child fails to comply with any term or condition in the agreement.*

9 5. *As used in this section:*

10 (a) *"Child" means a person who is 18 years of age or older but*
11 *less than 22 years of age.*

12 (b) *"Court" has the meaning ascribed to it in NRS 432B.050.*

13 Sec. 2. NRS 432.010 is hereby amended to read as follows:

14 432.010 As used in this chapter, except as otherwise defined by
15 specific statute or unless the context otherwise requires:

16 1. "Administrator" means the Administrator of the Division.

17 2. "Agency which provides child welfare services" has the
18 meaning ascribed to it in NRS 432B.030.

19 3. "Child" means a person ~~less~~ *who is:*

20 (a) *Less than 18 years of age* ~~or if in school;~~ *; or*

21 (b) *Eighteen years of age or older and is attending high*
22 *school, until graduation from high school.*

23 4. "Division" means the Division of Child and Family Services
24 of the Department of Human Resources.

25 5. "Maintenance" means general expenses for care such as
26 board, shelter, clothing, transportation and other necessary or
27 incidental expenses, or any of them, or monetary payments therefor.

28 6. "Special services" means medical, hospital, psychiatric,
29 surgical or dental services, or any combination thereof.

30 Sec. 3. NRS 432.030 is hereby amended to read as follows:

31 432.030 ~~No~~

32 1. *Except as otherwise provided in subsection 2, an employee*
33 *of an agency which provides child welfare services may, if*
34 *otherwise qualified, provide maintenance and special services* ~~for~~
35 ~~any child except as otherwise provided by specific statute or:~~

36 ~~1. Upon the request of a child whom the agency which~~
37 ~~provides child welfare services determines to be emancipated;~~

38 ~~2. to any child other than a child who:~~

39 (a) *Is included as a client in the caseload of the employee at*
40 *the time of the provision of the maintenance or special services; or*

41 (b) *Has been included as a client in the caseload of the*
42 *employee within the 3 years immediately preceding the provision*
43 *of the maintenance or special services.*



1 2. *An employee of an agency which provides child welfare*
2 *services may provide maintenance and special services to any*
3 *child:*

4 (a) Pursuant to court order or request; or

5 ~~13.1~~ (b) Upon referral of appropriate law enforcement officials
6 for emergency care.

7 **Sec. 4.** NRS 432.034 is hereby amended to read as follows:

8 432.034 Written statements of information required from
9 responsible relatives of applicants for or recipients of assistance
10 pursuant to NRS 432.010 to 432.085, inclusive, *and section 1 of*
11 *this act* need not be under oath, but any person who signs such a
12 statement and willfully states therein as true any material matter
13 which he knows to be false is guilty of perjury which is a category
14 D felony and shall be punished as provided in NRS 193.130.

15 **Sec. 5.** NRS 432.037 is hereby amended to read as follows:

16 432.037 1. The Trust Fund for Child Welfare is hereby
17 created. All benefits for survivors or other awards payable to
18 children receiving child welfare services pursuant to NRS 432.010
19 to 432.085, inclusive, *and section 1 of this act*, in a county whose
20 population is less than 100,000 must be deposited in the State
21 Treasury for credit to the Fund.

22 2. The Division shall:

23 (a) Keep a separate account for each child who receives money.

24 (b) Deduct from the account any services to the child provided
25 by public money. Any surplus remaining may be expended for
26 extraordinary items deemed beneficial to the child.

27 (c) Remit any surplus balance to the parent or legal guardian of
28 the child, or to the child if he is emancipated or has reached the age
29 of 18 years, when the Division is no longer legally responsible for
30 him ~~13.1~~ *unless the child has entered into an agreement with an*
31 *agency which provides child welfare services pursuant to section 1*
32 *of this act.*

33 3. The Division shall pay interest to each child's separate
34 account maintained in the Trust Fund for Child Welfare at the end
35 of each interest period. Interest must be paid at a rate equal to the
36 average of the interest rates quoted by at least three banking
37 institutions for interest-bearing savings accounts of \$3,000 or less
38 on the first day of each interest period. Interest must be paid on the
39 child's account commencing with the first interest period that the
40 Division is legally responsible for the child. Interest must not be
41 paid for the interest period during which the child ceases to be the
42 legal responsibility of the Division.

43 4. All benefits for survivors or other awards payable to
44 children receiving child welfare services in a county whose
45 population is 100,000 or more pursuant to NRS 432.010 to 432.085,



* A B 2 5 *

1 inclusive, *or section 1 of this act*, must be deposited in the trust
2 fund for child welfare established in the county treasury. A
3 disbursement from the benefits for survivors or other awards of a
4 child which is deposited in the fund may be made to the agency
5 which provides child welfare services for any child welfare services
6 provided to the child with public money.

7 5. As used in this section, "interest period" means that period
8 not less frequent than quarterly, as determined by the State
9 Treasurer, for which interest must be paid.

10 **Sec. 6.** NRS 432.085 is hereby amended to read as follows:

11 432.085 1. ~~[The]~~ *Except as otherwise provided in subsection*
12 *6, the* parents of a child placed in the custody of an agency which
13 provides child welfare services pursuant to the provisions of NRS
14 62.880 or 432.010 to 432.085, inclusive, or chapter 432B of NRS
15 are liable to the agency which provides child welfare services for the
16 cost of maintenance and special services provided to the child.

17 2. The Division shall establish by regulation reasonable
18 schedules for the repayment of money owed by parents pursuant to
19 subsection 1.

20 3. An agency which provides child welfare services may waive
21 all or any part of the amount due pursuant to this section if it
22 determines that the parents of the child do not have the ability to pay
23 the amount.

24 4. If a parent refuses to pay an agency which provides child
25 welfare services for money owed under this section, the agency
26 which provides child welfare services may bring a civil action to
27 recover all money owed with interest thereon at the rate of 7 percent
28 per year commencing 30 days after an itemized statement of the
29 amount owed is submitted to the parents.

30 5. All money collected pursuant to this section must be
31 deposited:

32 (a) In a county whose population is less than 100,000, with the
33 State Treasurer for credit to the State Child Welfare Services
34 Account.

35 (b) In a county whose population is 100,000 or more, with the
36 county treasurer for credit to a fund or account established by the
37 board of county commissioners.

38 6. *The parents of a child who has entered in to an agreement*
39 *with an agency which provides child welfare services pursuant to*
40 *section 1 of this act are not liable to the agency which provides*
41 *child welfare services for the cost of maintenance and special*
42 *services provided to the child.*

43 **Sec. 7.** This act becomes effective on July 1, 2003.



**FISCAL NOTE - BDR No: 38-690 (AB25) Revised Estimate for Legislative Committee on Children, Youth and Families
NRS - Chapter 432**

Young Adults who have aged out of Foster Care

BDR 38-690 amends chapter 432 to allow a child to enter into an agreement with an agency which provides child welfare services to continue to receive maintenance and special services if the child is enrolled as a student at a university, college, trade school, or technical school. Such agreements must be approved by a court. The agreement must not extend beyond the 22nd birthday of the child. "Maintenance" includes: board, shelter, clothing, transportation, and other necessary or incidental expenses. "Special Service" include: medical, hospital, psychiatric, surgical, and dental services. It is estimated approximately 156 youth (16 youth 21 years old, and 140 youth ages 18 through 20) would participate in this program each fiscal year. There are approximately 373 children/adolescents in the 18 to 20 year old age group and 42 youth age 21, for a total of 415 youths who would be covered by this bill. It is estimated 50% of the total would be eligible based on residency, ability to locate. It is estimated 75% of this number would wish to pursue education beyond high school (373 + 42 = 415 X 50 = 207 X 75 = 156)
This estimate assumes the categorical eligibility to this group without regard to income status.

MAINTENANCE
BA 3229/3142

The monthly maintenance cost is based on the current DCFS foster care rate for children 13 years and older, including clothing and personal incidentals. These costs are calculated at 100% General Fund as Title IVE eligibility ends at age 18.

\$681.92 per month maintenance * 156 recipients * 12 months = SFY06	1,276,554
\$681.92 per month maintenance * 156 recipients * 12 months = SFY07	1,276,554

ADMINISTRATION
B/A 3145/3142

This bill will require an administrative component. Youth must sign an agreement and have it approved by the court to enroll in the program. At intervals specified in the agreement, documentation of enrollment in school will be required. A Social worker is requested to review the needs of the participants, and arrange for maintenance and special service. The staffing ratio for foster care is 1 staff per 28 children. However, it is anticipated this population will not require the level of ongoing case management services provided to regular foster children. Clerical support will track agreements, court orders, and documentation of enrollment. Administrative costs are 100% General fund as this group will no longer be eligible for Title IV-E.

Personnel	SFY 06	SFY 07	
1.0 FTE Social Worker III (34-9)	70,147	70,147	
1.0 FTE Administrative Assistant II (25-9)	46,474	46,474	
	116,621	116,621	
Operating	SFY 06	SFY 07	
B/A 3145			Based on B/A 3145 FY02 Actuals (1)
Operating x2	606	606	(1) \$90,933 / 300 average staff = \$303/staff
Printing x2	298	298	(1) \$44,929 / 300 average staff = \$149/staff
Bond/tort x2	298	298	\$3 bond + \$146 Tort = \$149
Rent x2	6240	6240	130 sq ft \$2.00 per sq ft X 12 months = \$3,120
Monthly Telephone x2	788	788	(1) \$118,223 / 300 average employees = \$394/staff
Postage x2	1402	1402	(1) \$210,550 / 300 average employees = \$701/staff
Telephone Equipment x2	400		\$200 per telephone
Executive Unit x1	3018		Per Revised Budget Instructions
Secretarial Unit x1	1417		Per Revised Budget Instructions
Computer setup x2	3624		\$1,266 Dell PC w/Windows 2000 (Latest Dell quote) configured to UNITY system + \$200 data drop + \$346 HP9900CXI single user printer = \$1,812. No software is requested as the Division has sufficient software licenses.
Total	18,091	9,632	
Total Admin	134,712	126,253	

SPECIAL SERVICES**BA 3229/3142**

The group of 21 year olds will not be covered by Medicaid. Federal Medicaid regulations allow coverage only through age 20. Therefore, these costs will be 100% General Fund.

The Medicaid cost per eligible (CPE) is used as the estimated cost of special services.

CPE \$762.13 * 16 recipients * 12 months = SFY06	146,329
CPE \$800.24 * 16 recipients * 12 months = SFY07	153,646

BA 3243

This group of 18 through 20 year olds will be covered by Medicaid and are eligible for federal matching. The monthly costs are estimated at the Medicaid cost per eligible (CPE).

CPE \$762.13 * 140 recipients * 12 months = SFY06	1,280,378
CPE \$800.24 * 140 recipients * 12 months = SFY07	1,344,403

Note: The cost per eligible (CPE) was provided by HCF&P for aid code 61

	Youths Age	Youths Number	Total Cost	Fed %	Fed Amt.	State %	State Amt.
SFY 06	>18 - <21	140	1,280,378	56.00%	\$717,012	44.00%	\$563,366
SFY 07	>18 - <21	140	1,344,403	56.00%	\$752,866	44.00%	\$591,537

DCFS Total General Fund	SFY 06	SFY 07
Maintenance	1,276,554	1,276,554
Personnel	116,621	116,621
Operating	18,091	9,632
	1,411,266	1,402,807

BA 3243 - Summary	Fed	State
SFY06 FMAP	56.00%	44.00%
SFY07 FMAP	56.00%	44.00%

	SFY06	SFY07
GL 2501 Appropriation Control	563,366	591,537
GL 3872 Fed Title XIX	717,012	752,866
Total Revenue	1,280,378	1,344,403
Cat 19	1,280,378	1,344,403
Total Expenditures	1,280,378	1,344,403
Total Special Services Costs	1,426,707	1,498,049

**FISCAL NOTE - BDR No: 38-690 (AB25) Revised Estimate for Legislative Committee on Children, Youth and Families
NRS - Chapter 432**

COMPUTER MODIFICATIONS

B/A 3228 Welfare Administration

It is estimated that it will cost \$106,500 to create a new aid code in NOMADS in FY06 and \$13,520 a year thereafter for operations and maintenance. Two new aid codes would be required in Nomads to track 2 new eligibility groups. (Estimates provided by Welfare)

	Fed	State
SFY06 FMAP	50.00%	50.00%
SFY07 FMAP	50.00%	50.00%
	SFY06	SFY07
GL 2501 Appropriation Control	106,500	13,520
GL 3872 Fed Title XIX	106,500	13,520
Total Revenue	213,000	27,040

7210 DoIT facility - The introduction of a new aid code results in increased, ongoing DoIT facility charges primarily related to printing but can also include cycler activity. This increase is estimated to be \$5,000 per year per aid code after the initial year of development.

7212 DoIT SPD - The development of a new aid code usually requires 1,500 hours of programming in the first year. The current rate for DoIT programmers is \$71/hour. 1,500 hours * \$71/hour * 2 aid codes = \$213,000. Ongoing Maintenance for a new aid code usually requires 10 hours per month at \$71 per hour. 120 hours/year * \$71/hour * 2 aid codes = \$17,040. The cost listed reflected the development of two aid codes.

Total Expenditures	213,000	17,040
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B/A 3143 UNITY

It is estimated that it will cost \$74,480 to create a new aid code in UNITY in FY04 and FY05. Two aid codes would be required in UNITY to track 2 new eligibility groups. (Estimates provided by UNITY)
The introduction of a new aid code results in increased, ongoing DoIT facility charges primarily related to printing but can also include cycler activity. This increase is estimated to be \$5,000 per year per aid code after the initial year of development (Estimate provided by UNITY).
UNITY estimates each new aid code will require 40 hours per year Data Base Administrator time to maximize performance on the mainframe (40 hours X \$62/hour = \$2,480).

	IV-E	TXIX
SFY06 FMAP	50.00%	50.00%
SFY07 FMAP	50.00%	50.00%
	SFY06	SFY07
General Fund	79,515	7,986
TXIX	1,847	186
Title IVE	67,598	6,789
Total Revenue	148,960	14,961
DoIT Facility Charges	0	10,000
Data Base Administrator	0	4,960
MSA Contract	148,960	0
Total Expenditures	148,960	14,960
Total Computer Modifications	361,960	42,000

UNITY COST PER AID CODE CALC.

<u>Hours Assignment</u>
120 System Analysis/Design
40 Documentation
240 Programming
60 Acceptance Testing
80 Integration Testing
60 Corrective Actions
120 NOMADS Interface Prog
40 Testing/Rework
760 X \$98/hr MSA = \$74,480

MSA = Master Service Agreement Cont.

SUMMARY ALL COSTS

	FY06 STATE	FY06 FED	FY06 TOTAL	FY07 STATE	FY07 FED	FY07 TOTAL
DCFS Maintenance	1,276,554	0	1,276,554	1,276,554	0	1,276,554
DCFS Personnel Costs	116,621	0	116,621	116,621	0	116,621
DCFS Administrative Operating Costs	18,091	0	18,091	9,632	0	9,632
DCFS Special Services Costs 100% GF	146,329	0	146,329	153,646	0	153,646
HCFAP Special Services Costs at FMAP	563,366	717,012	1,280,378	591,537	752,866	1,344,403
Computer Modifications NOMADS	106,500	106,500	213,000	13,520	13,520	27,040
Computer Modifications UNITY	79,515	69,445	148,960	7,986	6,975	14,961
	2,306,976	892,957	3,199,933	2,169,496	773,361	2,942,857

Effect on Future Biennia

It is anticipated future revenue/expenditures would be two times SFY07 assuming caseload and CPE remains stable.

APPENDIX G

Letter to the Nevada Supreme Court Regarding Fast Tracking Termination of Parental Rights Cases

RAYMOND D. RAWSON, DDS, MA

SENATOR

Clark County District 6

ASSISTANT MAJORITY FLOOR LEADER



DISTRICT OFFICE:

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Fax No.: (702) 838-4563
Home: (702) 838-4561

COMMITTEES:

Chairman

Human Resources and Facilities

Vice Chairman

Finance

Member

Legislative Affairs

State of Nevada Senate

Seventy-Second Session

October 15, 2004

LEGISLATIVE BUILDING:

401 S. Carson Street
Carson City, Nevada 89701-4747
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(775) 684-1475 or 684-1401
Fax No.: (775) 684-6522

The Honorable Miriam Shearing, Chief Justice
Nevada Supreme Court
201 South Carson Street
Carson City, Nevada 89701-4702

Dear Chief Justice Shearing:

As Chairman of the Committee on Children, Youth and Families, I am writing to you on its behalf to request the consideration of the Supreme Court of Nevada of a revision in the rules governing the State's court system. As you may know, the Committee on Children, Youth and Families is responsible for overseeing the integration of child welfare services in Clark and Washoe Counties and for reviewing related topics.

One of the concerns frequently discussed in the Committee is the need for children within the child welfare system to achieve permanency as quickly as possible. Thus, during its work session on August 12, 2004, the Committee approved a recommendation proposed by Assemblywoman Barbara E. Buckley to draft legislation to require that termination of parental rights cases be "fast tracked" by the courts to achieve a final decision within six months. In recognition of the ability of the judiciary to adopt rules that may achieve this goal more efficiently than statutory changes, the Committee also voted to send a letter to Nevada's Supreme Court requesting its consideration of changes to the appropriate court rules to allow "fast tracking" of parental rights cases.

The members of the Committee appreciate the Court's consideration of this request and recommendation and look forward to working with the justices on the best manner of implementing changes to ensure that these types of cases are handled in the most expeditious manner. Once the Court has had sufficient time to review this issue, the members and I hope to receive the Court's input or decisions regarding this proposal.

Chief Justice Shearing

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October 15, 2004

In the meantime, if you have any questions, please do not hesitate to contact me, Assemblywoman Buckley, or the Committee's legislative staff.

Sincerely,


Raymond D. Rawson
Nevada State Senate

RDR/cb: CYF L30

cc: Members of the Committee

Ron Titus, State Court Administrator, Administrative Office of the Courts

APPENDIX H

Letter to the Department of Human Resources Regarding Foster Care Review Boards

RAYMOND D. RAWSON, DDS, MA

SENATOR

Clark County District 6

ASSISTANT MAJORITY FLOOR LEADER

COMMITTEES:

Chairman

Human Resources and Facilities

Vice Chairman

Finance

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Fax No.: (775) 684-6522

Michael J. Willden, Director
Department of Human Resources
505 East King Street, Room 600
Carson City, Nevada 89701-3708

Dear Director Willden:

As Chairman of the Committee on Children, Youth and Families, I am writing to you on its behalf to request your consideration, as Director of the Department of Human Resources (DHR), of a recommendation for a pilot program involving foster care, which was approved by the Committee at its August 12, 2004, work session. As you may recall, at this meeting, the Committee received a presentation on voluntary foster care review boards in other states from Dr. William Murphy, Ph.D., Professor, Department of Microbiology and Immunology, University of Nevada School of Medicine. Dr. Murphy suggested that Nevada needs to establish such a board to enhance the oversight of foster care generally and the homes and facilities in which children within the child welfare system are placed.

Because this proposal was raised at the Committee's final meeting and work session, the members were not in a position to fully examine the benefits and possible negatives of establishing such a board. Therefore, the Committee voted to urge the Department of Human Resources and its Division of Child and Family Services to examine voluntary foster care review boards and evaluate whether Nevada legislatively should establish such a board. The Committee suggested that the evaluation could include the creation of a pilot program. On behalf of the Committee, I urge you to consider this recommendation and also encourage you and your staff to work with Dr. Murphy in evaluating his proposal. I understand he is available to assist and offer his expertise.

Thank you for your consideration of this recommendation, and please notify the Committee through its staff of any decisions made on this issue. On behalf of the Committee, I would also like to thank you for the assistance you and your staff have provided to the Committee

Michael J. Willden

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October 15, 2004

throughout the interim. Your ongoing efforts to improve Nevada's child welfare system are much appreciated. I look forward to hearing from you regarding the Committee's recommendation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ray Rawson".

Raymond D. Rawson
Nevada State Senate

RDR/cb: CYF L28

cc: Members of the Committee

Michael Capello, Director, Washoe County Department of Social Services

Susan Klein-Rothschild, Director, Clark County Department of Family Services

Dr. William Murphy, Department of Microbiology and Immunology, University of Nevada School of Medicine, Reno

Trish White, Nevada Center for Ethics and Health Policy, University of Nevada, Reno

APPENDIX I

Suggested Legislation

The following Bill Draft Requests will be available during the 2005 Legislative Session, or can be accessed after “Introduction” at the following Web site: <http://www.leg.state.nv.us/73rd/BDRList/page.cfm?showAll=1>.

- | | |
|------------|--|
| BDR 38-666 | Requires development of plan for funding of certain child welfare services and extends sunset provision for the Committee on Children, Youth and Families. |
| BDR 38-667 | Makes various changes concerning foster children transitioning out of foster care. |
| BDR 38-668 | Requires State Plan for Medicaid to include eligibility of certain former foster youth for Medicaid. |
| BDR 39-669 | Transfers duties related to mental health from the Division of Child and Family Services of the Department of Human Resources to the Division of Mental Health and Developmental Services. |
| BDR 38-670 | Makes various changes concerning placement of siblings in foster care. |
| BDR 11-671 | Requires courts to “fast track” cases involving termination of parental rights. |
| BDR 38-672 | Establishes rights for children in foster care. |
| BDR 38-673 | Authorizes disclosure of identifying information about reports and investigations related to abused or neglected children for an audit or research in certain circumstances. |
| BDR 11-674 | Requires Division of Child and Family Services of the Department of Human Resources to attempt to notify adopted child of updated medical information submitted to the State Register for Adoptions. |
| BDR R-883 | Urges district courts to ensure that the courts gather sufficient information during adoption proceedings to facilitate the future exchange of medical information as it becomes available. |