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September 28, 2020

Re: Response from Clark County to testimony offered before the Legislative Committee on Child Welfare and Juvenile Justice

Dear Chairman Ohrenschaal:

Clark County offers this letter in response to the August 20, 2020 discussion and update on Juvenile Justice Programming and Child Welfare Services, as well as the presentation given on how states are implementing the Family First Prevention and Services Act.

As the State's largest child welfare agency¹, and on behalf of the children and their families we serve, we believe the items below warrant additional perspective from those working in the field.

As the committee may be aware, child welfare is funded through a combination of state, federal and local dollars. The State's portion of the funding comes to Clark County as a block grant system which has been capped since its passage in 2011. Clark County has had to shoulder increased responsibility for new services and delivery methods not contemplated in 2011 due to subsequently mandated policy changes made at both the federal and state levels.

Funding has not accompanied these policy changes at the state level. We remain concerned that the fiscal challenges facing the County and the State in the 2021 session may impact our ability to continue to safely deliver services to the children and families we serve in Clark County.

Implementation of Commercially Sexually Exploited Children:

Clark County would also like to alert the committee to ongoing concerns regarding the funding of new services required by child welfare agencies in Nevada. During the 2019 legislative

¹ According to the DCFS 2020 Data Book as of August 31, 2020, [available here](#), Clark County's point-in-time caseload across multiple child welfare functions is the largest in the State:

FY2020 data	Referrals	Investigations	Removals	Foster Care	Adoptions	AB350 Court Jurisdiction Youth
Clark	25,350	11,639	2,424	3,331	559	263
Washoe	4,696	1,769	411	758	179	32
Rural	3,647	870	217	414	37	39

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session, Senate Bill 293 was passed, requiring the Department of Health and Human Services to hire a coordinator who would then collaborate with interested agencies and persons to assess current and anticipated needs of commercially sexually exploited children (“CSEC”) in the State, and to develop a plan to establish the full infrastructure needed to provide treatment, services and housing to these children. This bill also required, after July 1, 2022, a referral from and out of the juvenile justice system to the child welfare system.

We understand that the State’s coordinator is nearing completion of a plan to be presented to the Legislature. We believe these recommendations are sound for the front-of-the-system needs, i.e., a recommendation for a reception center available to help victims and to refer them further for services. But what will happen next? The system contemplated by SB293 is robust, and rightly so. But to implement these reforms will require ongoing supports and services that will be needed to properly serve this population of children properly, given the level of trauma they have suffered².

This will need significant funding, staffing and access to services as we transition victims of commercial sexual exploitation away from the juvenile justice system and into the child welfare system, and pursuant to statutory mandates, child welfare agencies are the lead stakeholders in this process.

Like Nevada, the California child welfare system is set up in a way that the state provides oversight, but the counties administer child welfare services. In 2014-2015, when tackling the issue of how to address services for the CSEC victims, California passed Senate Bill 855, and established a state-funded county CSEC services program. This included \$5 million in initial funding to train both foster care kids about the dangers of sex trafficking, as well as to train child welfare staff and to develop interagency protocols. Thereafter, the State appropriated \$14 million in General Fund dollars to a program for counties to provide services outlined in the CSEC program. County child welfare agencies were key stakeholders in the development of these plans.

When SB293 was introduced last session, Clark County estimated housing costs alone for the CSEC population would cost \$14 million. This did not include the service array that will now be delivered by child welfare agencies as of 2022. We urge your review of this issue in advance of the 2021 session and we would welcome the opportunity to discuss necessary resources.

Clark County’s structural budget deficit and implementation of the Family First Prevention and Services Act:

When the COVID-19 crisis began, Clark County estimated a 52% decrease in General Fund revenue (\$118 million) from March to June 2020 alone. In our final FY21 budget, we project a

² We must address the lack of behavioral health services for children in the State, and in particular, in Southern Nevada. The stakeholders involved in the CSEC legislation thus far agree that children who have suffered from sex trafficking must receive treatment to address trauma associated with commercial sexual exploitation, and that the juvenile justice system is not the place to address this care.

structural budget deficit of \$284 million. A structural budget deficit exists when expected revenue is less than recurring expenditures needed to maintain existing service levels.

Even prior to COVID-19, Clark County faced a structural budget deficit in delivering child welfare services due to a combination of factors: (1) the stagnancy of the capped block grant funding Clark County Department of Family services over the past 10 years and (2) the loss of federal funding due to the federally mandated transition away from our IV-E waiver method of delivering services and toward the structure mandated by passage of the Family First Prevention and Services Act (FFPSA) of 2019.

We have been trying to work proactively with the State and asking for an update on implementation of the FFPSA. Implementation, as Director Armstrong has reported to this Committee is not complete and will be a heavy lift for the State and Clark County. The law requires hiring of additional providers to deliver services currently unavailable in Nevada and quality assurance staff to move towards more evidence-based programming with a focus on family preservation.

Implementation of the FFPSA will impact all child welfare agencies in the State, but as the only “IV-E waiver” jurisdiction in the State, Clark County is uniquely impacted by this loss in federal funding³. Clark County received a capped allocation under the Federal Title IV-E demonstration waiver; however, this waiver has expired under the FFPSA. Transitional funds to assist the county transition from the waiver to FFPSA may be available during a step-down period in FY20 and FY21 equal to 90% and 75% respectively; however, no funds have been received to date.

Clark County faces a loss of \$10 million attributable to this reduction in waiver funding. Clark County will then be required to draw down Title IV-E reimbursement on dated and restrictive income eligibility requirements which have not been adjusted for over 20 years, thus deepening the shortfall.

We understand that the study of child welfare funding performed during this interim session only addressed the issue of federal funding in the State. This study is very valuable to policy makers going forward, but we also urge further review of the capped block grant system. Clark County’s structural deficit grows year after year under this capped formula. In FY20, the deficit attributable to the block grant funding is projected to be \$20 million dollars, and in FY21, the deficit is projected to reach \$27 million dollars.

This funding mechanism should be revisited given the increased functions which must be delivered by child welfare agencies, including federal and state policy changes outlined above, and other programs, such specialized foster care. **Clark County cannot maintain a structural deficit of this magnitude.** As we enter into County budget proceedings when the Legislature convenes, it is Clark County’s commitment to work with this Committee, and the members of the Nevada Legislature on a review of the state funding for child welfare.

³ The Family First Transition Act (FFTA) Funds were designed to assist states and child welfare agencies in making this shift. The Committee heard of this funding from The Council of State Governments (CSG) in June in their report to this committee regarding the Child Welfare Funding Assessment.

Clark County's measures to protect staff and DFS support of our community response:

Clark County made a multi-million investment in software to support our County caseworkers, particularly as they shifted to remote services in response to COVID-19. Our County DFS staff was, and continues to be, on the front lines in delivering critical services and in-home visits during the State's response to COVID -19. This software investment was made in anticipation of the State's UNITY system upgrades that were at long last funded in the 2019 legislative session. However, those upgrades have been seriously delayed – and were on the list of programs to be reduced in the 2020 Special Session. We are informed and aware from communications with the State that these upgrades are now supposed to be funded through the State portion of FFTA funding. However, these upgrades have been seriously delayed. We urge the Committee's attention to this issue. The UNITY system is mandatory for child welfare agencies and is the bread and butter of how we report to the data to the State, and in turn to the federal government. A modern system is even more in need as our front-line workers remain largely remote and mobile, working out of their cars, and relying on UNITY to perform their work.

Even with these challenges, Clark County supported our front-line workers as much as we could, with work-from-home and remote work, and access to PPE and upgraded equipment. When the State needed help to support contact tracing efforts in Southern Nevada during a spike in cases amongst our region's Latinx population, Clark County diverted four of our bilingual staff to work only on contact tracing while the State's contract with UNLV and Deloitte was delayed. We are, and remain, always ready to step and up to help our community.

We are asking for your assistance in helping to address some of these challenges. If amenable to you and the Committee, we will make subject matter experts available for testimony before this Committee's work session in October. We are also requesting that this Committee consider a letter to the Governor and to the 2021 budget committees concerning the points raised in this letter.

We are aware that the Legislative Committee on Child Welfare and Juvenile Justice is a policy committee, but we applaud your attention to the issues associated in delivering services to a particularly vulnerable population in our State. Thank you for your service, and we ask that you consider the County a resource to you going forward.

If you have further questions, please do not hesitate to contact me by phone at (702) 455-3530 or by email to Yolanda.King@clarkcountynv.gov.

Very truly yours,

Yolanda King

Yolanda King
Clark County Manager