



State of Nevada  
Department of Administration  
Division of Internal Audits

**Audit Report**

**Department of Health and Human Services  
Division of Child and Family Services**

Report No. 15-03  
December 2014

**EXECUTIVE SUMMARY**  
**Division of Child and Family Services**

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**Objective: Can the State More Equitably Fund  
Education For Institutionalized Pupils?**

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**Reallocate DSA Funding for Nevada Youth Training Center** ..... page 7

The division should request reallocation of the Distributive School Account (DSA) funding for institutionalized pupils being paid for by the state at Nevada Youth Training Center. This could reduce costs by \$335,000 annually by funding education expense with a DSA apportionment. The division currently provides educational services at Independence High School on the Nevada Youth Training Center campus in Elko County, but does not receive DSA funding to support the cost of the high school. All other Nevada pupils, including pupils at facilities that provide treatment and operate a licensed private school as noted in NRS 387.1225, receive DSA funding to support their education costs.

**Reimburse the Division for Education Support Services**..... page 8

The division should request reimbursement for the portion of DSA that funds education support services. This could reduce costs of about \$297,000 annually by funding educational support services with a DSA apportionment. Clark and Lincoln counties receive DSA funding for instructional and support services at the state youth centers but do not provide these services. The division provides support services but does not receive DSA funding for these costs.

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**Objective: Can the Division Lower Risk and  
Cost for Committed Youth?**

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**Evaluate changing NRS 62E.110 to Give the Division the Power to Determine  
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The division should evaluate changing statute to give the division the power to place youth in facilities. This would result in consistent placement practices and reduce the risk to these youth by placing some in a lower security/lower cost facility. Currently, juvenile justice courts in the North allow the division to place youth. In the South, the court, in general, places youth at the higher security/higher cost Red Rock Academy. We found youth may potentially be at greater risk than necessary. Youth are exposed to a 64 percent greater risk of assault and 200 percent greater risk of exposure to serious offenders being placed at Red Rock Academy than the other two state facilities.

**Reduce Risk to Institutionalized Pupils by Maximizing Use of Lower Security/Lower Cost Facilities ..... page 10**

The division should maximize use of lower security/lower cost facilities to reduce risk to youth and reduce costs. This could benefit the division by \$563,000 annually and reduce risk to youth. Currently, there are 26 vacant beds at a lower security/lower cost facility, Caliente, where up to ten youths could have been diverted from the higher security/higher cost Red Rock Academy.

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## INTRODUCTION

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At the direction of the Executive Branch Audit Committee, we conducted an audit of the Department of Health and Human Services (department), Division of Child and Family Services (division), Juvenile Justice Services. Our audit addressed the following four questions:

- ✓ What is the division's role?
- ✓ What services must the division provide?
- ✓ Is the state the proper level of government to provide these services?
- ✓ If state government is the appropriate level of government, is the division carrying out its duties efficiently and effectively?

Our audit focused on the division's juvenile justice services use of state resources to fund education in youth centers and the ability to keep committed youth safe.

### Division's Role and Public Purpose

The division is one of five in the department and is funded by State General Fund and federal revenues. The division's budget for fiscal year 2014 is approximately \$231 million. The division is made up of three sub-divisions/agencies:

- **Juvenile Justice Services** serves youth who have been committed to the division for either delinquent behavior or to access services for mental health treatment.
- **Child Welfare Services** provides a continuum of services for children including emergency shelter care, foster family care, group home care, therapeutic foster care, respite care, residential treatment care, and independent living services.
- **Child Mental Health Services** provides a wide range of mental health services to children and adolescents with significant emotional and/or behavioral problems and their families.

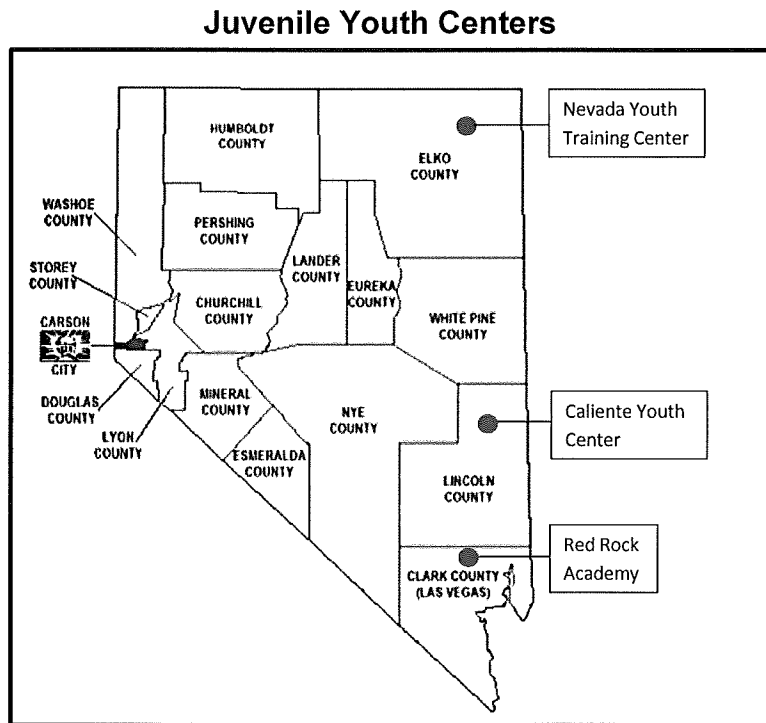
The division has offices statewide. Division staff includes a wide range of social workers, youth parole officers, medical professionals, behavioral health staff, and education staff.

Juvenile Justice Services administers programs for youth ages 12-21 who have been committed to the division for either delinquent behavior or to access services for mental health treatment. There are five agencies within Juvenile Justice Services; three youth centers, the Youth Parole Bureau, and the Juvenile Justice Programs Office.

The division's Juvenile Justice Services operates the three juvenile youth centers:

- Caliente Youth Training Center, Caliente: Historically minimum security for younger male youth offenders and all female youth offenders.
- Nevada Youth Training Center (NYTC), Elko: Historically medium security for all aged male youth offenders.
- Red Rock Academy, Las Vegas: Historically maximum security for all aged male youth offenders.

### Exhibit I



## **Regionalization**

The division is implementing plans to regionalize youth center placements. The division seeks to comply with the recommendations of the judicial branch's Commission on Statewide Juvenile Justice Reform. The Commission is evaluating the continuum of care model<sup>1</sup> including possible reorganization of Nevada's youth centers to determine, in part, whether smaller, regional facilities are more effective.

Regionalization efforts seek to place youth as close to their homes as possible to involve families and local support networks in their treatment programs. Consequently, male youths from Washoe County and Northern Nevada would ideally be placed at Elko, and male youths from Clark County and Southern Nevada would be placed at Caliente or Las Vegas. The only state facility for females is at Caliente.

Historically, Nevada youth have been housed at state facilities built in a continuum of care model. The division also maintains contracts with private juvenile facility providers for specific needs of youth the state cannot meet. For example, between 2010 and 2013 the state had no maximum-security facility for youth. The division had a contract for up to three beds with a provider should the need for such a level of security be necessary. The division used two beds during this time period.

## **Proper Level of Government**

The state is the proper level of government to provide these services because they involve education and safety issues of Nevada youth.

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<sup>1</sup> The continuum of care model is a progressive approach of placing youths according to their risk level in order to tailor the intensity and duration of supervision and treatment for each youth.

## Objectives and Scope

Our audit focused on the following objectives:

- ✓ Can the state more equitably fund education for institutionalized pupils?
- ✓ Can the division lower risk and cost for committed youth?

We began the audit in November 2013. In the course of our work, we interviewed department and division staff and discussed processes inherent to the division's responsibilities. We reviewed division records for fiscal years 2013 through 2014, applicable Nevada Revised Statutes, and other state guidelines. We also surveyed other states, comparing youth commitment processes. We concluded field work and testing in October 2014.

We performed our audit in accordance with the *Standards for the Professional Practice of Internal Auditing*.

We express appreciation to the department director, division administrator, deputy administrators, and staff for their cooperation and assistance throughout the audit.

Contributors to this report included:

Warren Lowman  
Executive Branch Audit Manager

Ashwini Prasad, CPA, CIA, CGMA  
Executive Branch Auditor-in-Charge

Lynnette Pagaling, MBA, CPA  
Executive Branch Auditor

## **Division of Child and Family Services Response and Implementation Plan**

We provided draft copies of this report to the department and division officials for their review and comments. Their comments have been considered in the preparation of this report and are included in Appendix A. In its response, the division accepted our recommendations. Appendix B includes a timetable to implement our recommendations.

NRS 353A.090 specifies within six months after the final report is issued to the Executive Branch Audit Committee, the Administrator of the Division of Internal Audits shall evaluate the steps the division has taken to implement the recommendations and shall determine whether the steps are achieving the desired results. The administrator shall report the six month follow-up results to the committee and division officials.

The following report contains our findings, conclusions, and recommendations.



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## **Can the State More Equitably Fund Education For Institutionalized Pupils?**

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The state can more equitably fund education for institutionalized pupils in two ways: reallocating state education funding for institutionalized pupils being educated by the state and requesting reimbursement from local jurisdictions for the support portion of Distributive School Account funds being provided by the state. Reallocating and redistributing resources will more equitably fund education for institutionalized pupils at state youth centers and reduce division costs by approximately \$632,000 annually.

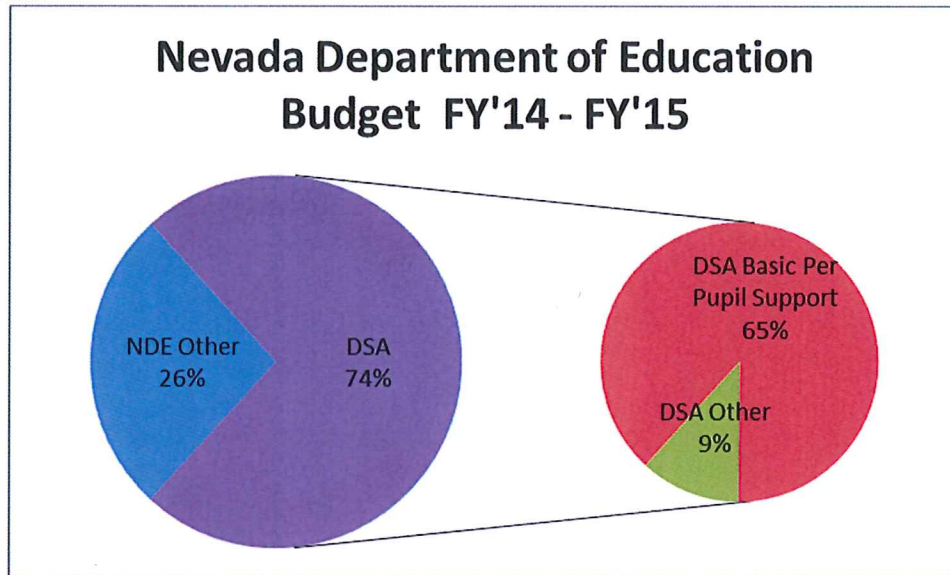
NRS 387.121 provides for state financial support to ensure each Nevada child receives a reasonably equal educational opportunity. Additionally, NRS 387.1225 allows for reimbursement of financial support from the Nevada Department of Education to a hospital or other facility that provides residential treatment to children and operates a licensed private school. However, all pupils in Nevada are not receiving state financial support as provided for in statute. Specifically, pupils institutionalized by the state at Nevada Youth Training Center receive no state education funding. Their education is paid primarily with other state general funds not designated for schools. Education at the other two youth centers is funded, in part, by the Distributive School Account.

### **State Education Resources Should Fund All Nevada Youth**

The Nevada Plan is the means used to finance elementary and secondary education in the state's public schools. Nevada Plan funding for the districts consists of state support received through the Distributive School Account (DSA) and locally collected revenues. The state develops a guaranteed amount of funding for each of the local school districts derived from state and local sources. The DSA is financed by legislative appropriations from the State General Fund and other revenues, including a 2.25 cent tax on out-of-state sales, an annual slot machine tax, mineral land lease income, and interest from investments of the State Permanent School Fund.

This audit focused on state revenue sources that support local education through DSA funding. DSA is 74 percent of Nevada Department of Education's budget, of which 65 percent of DSA funds are for basic per-pupil support. See Exhibit II.

## Exhibit II



To determine the level of guaranteed funding for each district, a basic per-pupil support rate is established. The rate is determined by a formula that considers the demographic characteristics of the school districts. Each district then applies its basic per-pupil support rate to the number of students enrolled. The official count for apportionment purposes is taken in each district on the last day of the first school month. For fiscal year 2015, the average basic per-pupil support rate is about \$5,590.

Institutionalized pupils at youth centers receiving educational services should receive DSA funding consistent with other pupils in the state. This would ensure these youth are funded on an equal basis. Consequently, the agency should be allocated DSA funds for institutionalized pupils consistent with other school districts.

### Reallocate DSA Funding for NYTC

The state can more equitably fund education for institutionalized pupils by reallocating DSA funding for institutionalized pupils being educated by the state at NYTC. The division could reduce costs by approximately \$335,000 annually by funding education expenses with a DSA apportionment.

The division is currently providing educational services at Independence High School on the NYTC campus in Elko County. The division does not receive DSA funding to support the cost of the high school. There are up to 60 institutionalized pupils at NYTC that are not included in the official count for statewide DSA funding. The division is expending general fund resources for educational programs that are normally funded, in part, through DSA elsewhere in the state.

The state should reallocate DSA funding to the division to support the cost of Independence High School at NYTC. This could reduce division costs by approximately \$335,000<sup>2</sup> annually and ensure institutionalized pupils receive equitable funding for their education.

### **Reimburse the Division for Education Support Services**

The division should request reimbursement for the portion of DSA that funds education support services. The division could reduce costs by about \$297,000 annually by funding educational support services with a DSA apportionment.

Clark and Lincoln counties are being compensated by DSA funds for services they do not provide at the two state youth centers. These counties include institutionalized pupils in their official count for apportionment of DSA funds. They receive full DSA funds for institutionalized pupils located at Red Rock Academy and Caliente Youth Training Center. The counties provide instructional services; however, the state provides support services, such as facilities and utilities, at the state owned youth centers. Consequently, these two counties are being compensated for services they do not provide. The division should request reimbursement for support services. This could reduce costs at Red Rock Academy by approximately \$78,000 and at Caliente Youth Training Center by almost \$219,000 annually.<sup>3</sup>

### **Recommendations:**

1. Request reallocation of the DSA funding for institutionalized pupils being paid for by the state at Nevada Youth Training Center.
2. Request reimbursement from Clark and Lincoln Counties for that portion of DSA services being provided by the state.

### **Exhibit III**

#### **Estimated Benefits**

<b>Recommendation</b>	<b>Annual Benefit</b>
1. Reallocate DSA funding.	\$335,000
2. Reimburse for state provided services.	\$297,000
<b>Total</b>	<b>\$632,000</b>

<sup>2</sup> \$5,590 Basic DSA per Pupil x 60 beds = \$335,400 ~ \$335,000.

<sup>3</sup> Estimate provided by Nevada Department of Education; 28 percent portion of DSA funding for support services:

50 beds x \$5,590 Basic DSA per Pupil x 28 percent = \$78,260 ~ \$78,000.

140 beds x \$5,590 Basic DSA per Pupil x 28 percent = \$219,128 ~ \$219,000.

Total reduction in costs = \$78,000 + \$219,000 = \$297,000.

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## **Can the Division Lower Risk and Cost for Committed Youth?**

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The division can lower risk and cost for committed youth by changing statute to give the division the power to place youth in facilities and by maximizing use of lower cost/lower security facilities. This could benefit the division by about \$563,000 annually.

### **The Division Is Not In Control of Risk and Cost for Committed Youth**

The division can lower risk and cost for committed youth by changing NRS 62E.110 to give the division the power to determine where to place youth in state-funded facilities. This could benefit the division by \$563,000 annually.

The division does not control placement of youth in state-funded youth centers, unlike the Department of Corrections, which controls the placement of the adult incarcerated population. Consequently, youth are being directed to more costly care at Red Rock Academy, the state's maximum security youth center. At the same time, the state has open beds at lower cost and lower security youth centers.

### **Statute Limits the Division's Authority**

NRS 62E.110 states the "juvenile court may commit the child to the custody of a public or private institution or agency authorized to care for children." Standard state policy and procedure require a youth to be assessed by a multidisciplinary team to determine where the youth should be committed. Judges in Northern Nevada allow the division to place youth; in the South, the court, in general, places youth.

The state has the sole authority to place adults committed for crimes. NRS 209.341 and Nevada Department of Corrections Administrative Regulation 504 states inmates will complete a thorough screening by a multidisciplinary assessment team upon intake. Thereafter, a state classification committee determines the best placement for those inmates.

We surveyed other states<sup>4</sup> to compare the procedures for placing committed youth in a state facility. We found that three of five of the states have a

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<sup>4</sup> Arizona, Colorado, Idaho, Oregon, and Utah.

multidisciplinary state assessment team,<sup>5</sup> usually consisting of behavioral health staff, education staff, caregivers, advocates, and facility staff. The team assesses youth and determines placement at a juvenile facility.

The division represents youth are being ordered to high security, high cost youth centers by the court in Southern Nevada, in some cases without consideration of the state assessment. However, the division did not maintain documentation for specific occurrences where the state assessment was not considered in the placement of youth.

As a result of inconsistent placement practices, committed youth may be unnecessarily placed at greater risk and the state is incurring additional costs for youth committed to Red Rock Academy. The lower security, lower cost Caliente Youth Training Center has vacant beds that can accommodate some of these youth.

### **Some Youth May Potentially Be at Greater Risk than Necessary**

The division can lower risk for committed youth by maximizing use of lower cost/lower security facilities. This could benefit youth by placing them in a facility with a lower ratio of serious to non-serious offenders and a lower rate of violence. Additionally, this may reduce spending for the division.

Some youth are potentially being exposed to greater risk by being placed at Red Rock Academy, the state's maximum security youth center due to the mix of offenders. We reviewed commitment offenses at each facility and analyzed the nature of offenses to determine the risk that non-serious offenders are exposed to serious offenders in state youth centers. The ratio of serious offenders to non-serious offenders<sup>6</sup> at Red Rock Academy is 1:1; the ratio is 1:3 at the other two youth centers. This shows non-serious offenders at Red Rock Academy are at a 200 percent<sup>7</sup> greater risk of being exposed to serious offenders than at the other two youth centers. Exhibit IV summarizes our findings.

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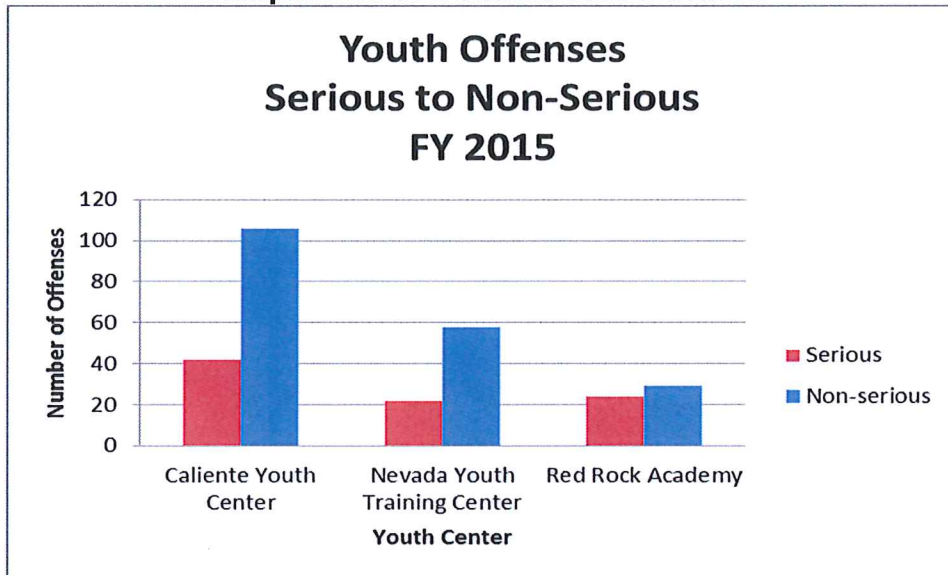
<sup>5</sup> Of the five states surveyed, Oregon juvenile justice services are provided by the counties and Idaho juvenile justice services and placements have been regionalized.

<sup>6</sup> Per agreement with the division, we classified non-serious offenses as: Burglary, Non-Sales Drugs, Sales Drugs, Misdemeanor, Other, Violations of Probation, Theft/Larceny, and Vehicle Theft; serious offenses included: Arson, Assault/Battery, Robbery, Sexual Offense, and Weapons charges

<sup>7</sup> Red Rock Academy offense ratio 1:1 – Other two youth centers offense ratio 1:3 =  $0.66/0.33 = 200$  percent

**Exhibit IV**

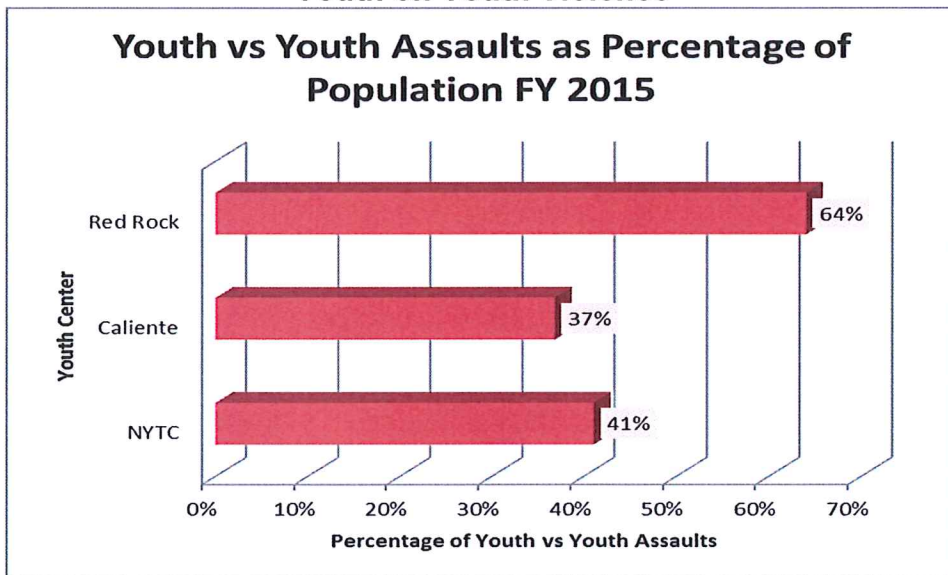
**Comparison of Commitment Offenses**



Division data shows the rate of youth on youth violence is higher at Red Rock Academy. We reviewed youth on youth violence reports at each youth center and found youth are exposed to 64 percent<sup>8</sup> greater risk of assault being placed at Red Rock Academy than at NYTC and Caliente. See Exhibit V.

**Exhibit V**

**Youth on Youth Violence**



<sup>8</sup> (Red Rock Academy violence rate 64 percent – Average of Caliente and NYTC violence rate ((37 percent + 41 percent)/2))/Average of Caliente and NYTC violence rate = 64 percent.



Youth are being unnecessarily put at risk by being placed in a high security facility when the state has lower security facilities to fit their needs. This may increase at Red Rock Academy in the future.

**Projected Potential Risk for Youth at Red Rock Academy May Increase**

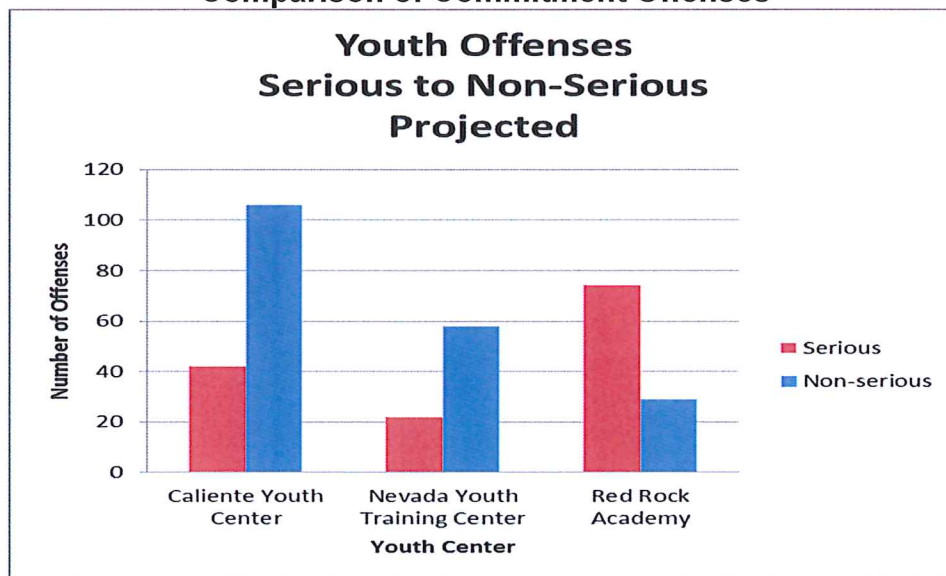
Red Rock Academy is managed by a contracted vendor, Rite of Passage (ROP). Red Rock Academy has a total of 96 beds. The state’s contract with ROP to manage the states 50 beds at Red Rock Academy includes an additional 46 beds for ROP’s private use. This creates potentially more risk to youth because of the increase of serious offenders in beds reserved for ROP’s private use.

ROP intends to fill their beds with youth who cannot be served in their home states. These youth are likely to have committed more serious offenses and consequently require a maximum security facility. For example, ROP cites its specialized programs for youth committed for serious offenses, such as sexual crimes. Projected youth offenses from ROP’s private-use beds will increase the rate of serious to non-serious offenders at Red Rock Academy. ROP reports their intent is to fully integrate both the Nevada and ROP youth into a single youth center. ROP intends to retain the same staff ratios to support what will be a more dangerous youth center population.

We project the ratio of serious to non-serious offenses at Red Rock Academy will increase from 1:1 to 3:1; and remain 1:3 at the other two facilities. This would be 200 percent<sup>9</sup> increased risk at Red Rock Academy. See Exhibit VI.

**Exhibit VI**

**Comparison of Commitment Offenses**



<sup>9</sup> Red Rock Academy projected offense ratio 3:1 – Red Rock offense ratio 1:1 = 2/1 = 200 percent.

## Higher Security Means Higher Costs in Southern Nevada

The division is regionalizing youth centers in Nevada. In general youth from Northern Nevada will be committed at the Nevada Youth Training Center (Elko) and youth from Southern Nevada will be committed to Caliente Youth Training Center (Caliente) or Red Rock Academy (Las Vegas). The cost for placing a youth at the higher security Red Rock Academy is about twice the cost of Caliente. See Exhibit VII.

### Exhibit VII

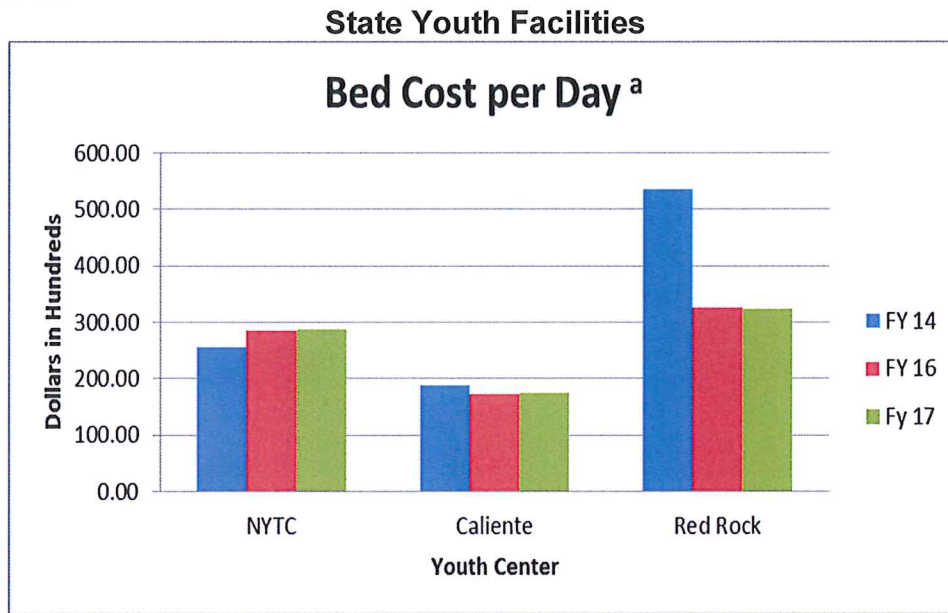


Table Note: FY 14 Red Rock cost disparity from FY 16 and FY 17 due to re-opening costs.  
Table Note <sup>a</sup>: FY 15 data was not available from the division



**Lower Cost Beds Are Available in Southern Nevada**

Caliente is budgeted for 140 beds with a current population of 114 youth. Red Rock Academy is budgeted for 50 beds with a current population of 50 youth. Many of the youth at Red Rock Academy could be placed at Caliente, the lower cost, lower security facility. There are currently 26 vacant beds at Caliente that the division could use if the state controlled placement of youth in state facilities. The division represents up to ten youth could have been diverted from Red Rock Academy to Caliente. Filling these beds could save the state about \$563,000 annually. See Exhibit VIII.

**Exhibit VIII**

**Utilizing Caliente Youth Center Estimated Benefits**

<u>Savings for State</u>				
<u>Caliente Youth Center (Caliente)</u>				
State Cost per Bed Day	\$ 172.04	x	10 Number of Open Beds at Caliente	= \$ 1,720.40
<u>Red Rock Academy</u>				
Private Cost per Bed Day	\$ 326.28	x	10 Number of Open Beds at Caliente	= \$ 3,262.80
State Cost for Utilizing Caliente	\$ 1,720.40	-	\$ 3,262.80 Private Cost for Utilizing Red Rock	= \$ 1,542.40
<u>Estimated Annual Benefit to Nevada</u>	\$ 1,542.40	x	365 Days in a year	<u>\$ 562,976.00</u>

The division should evaluate changing statute and maximizing use of lower security/lower cost facilities to reduce risk to committed youth and control costs. This will allow the state to better manage risk to youth committed in state youth centers and control its costs. This could benefit the state by about \$563,000.

**Recommendations:**

3. Evaluate changing NRS 62E.110 to give the division the power to determine where to place youth in state-funded facilities.
4. Reduce risk to committed youth by maximizing use of lower security/lower cost facilities.

**Exhibit IX**

**Estimated Benefits**

<b>Recommendation</b>	<b>Annual Benefit</b>
3. Change NRS.	
4. Maximize use of lower security/lower cost facilities.	\$563,000
<b>Total</b>	<b>\$563,000</b>

# Appendix A

## Division of Child and Family Services Response and Implementation Plan

BRIAN SANDOVAL  
Governor

STATE OF NEVADA



ROMAINE GILLILAND  
Director

AMBER L. HOWELL  
Administrator

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DIVISION OF INTERNAL AUDITS

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DIVISION OF CHILD AND FAMILY SERVICES  
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November 24, 2014

Steve Weinberger, Administrator  
Department of Administration  
209 E. Musser St. Suite 302  
Carson City, NV 89701

Mr. Weinberger,

The Division of Child and Family Services would like to formally thank the Executive Branch Audit staff for their collaboration and assistance within the last year. DCFS is always eager to receive feedback from external agencies in an effort to improve practice, enhance efficiency and ensure fiscal transactions are done appropriately. Below you will find DCFS' response to the four recommendations we received on November 10, 2014.

**Recommendation #1:**  
*Request reallocation of the DSA funding for institutionalized pupils being paid for by the state at Nevada Youth Training Center.*

**DCFS Response #1**

The Division accepts this recommendation. We understand that the Executive Branch Audit staff have already begun a conversation with the Department of Education Administration related to this recommendation and the potential opportunities NYTC has related to DSA funding and support.

Anticipated completion date: February 15, 2015

**Recommendation #2:**  
*Request reimbursement from Clark and Lincoln Counties for that portion of DSA services being provided by the state*

**DCFS Response #2**

The Division accepts this recommendation. DCFS was unaware of the DSA funding formula and that support related to the facilities such as maintenance and utilities was part of the funding. DCFS will meet with the Department of Education's Administration to assess the overall DSA that could be reimbursed to DCFS. In addition, DCFS will meet with Lincoln County School District to provide them with this recommendation and discuss potential financial impact should the school District be billed for these services.

Anticipate completion date: March 1, 2015

**Recommendation #3:**  
*Evaluate changing NRS 62E.110 to give the division the power to determine where to place youth in state-funded facilities.*

**DCFS Response #3**

The Division accepts this recommendation. Placements of youth into state operated youth correctional facilities are determined by the Juvenile Services Admissions Team, comprised of the Superintendents, Mental Health Counselors from each correctional facility (Callente Youth Center and Nevada Youth Training Center), Youth Parole Bureau Mental Health Counselors, Unit Managers and/or Chief.

The following steps detail the activities leading up to the recommendations for placement at one of the correctional facilities:

1. The assigned Youth Parole Mental Health Counselor (MHC):
  - Reviews the paperwork (case history, commitment order, anything related to the case)
  - Conducts an interview with the youth at the detention center
  - Attempts contact with the parent/guardian
  - Completes the Initial Risk and Needs Assessment, which consists of the following:
    - Risk Categories
    - Criminal/Legal History
    - Attitude/Behavior
    - Peers/Relationships
    - Family/Home
    - Substance Abuse
    - Mental Health

- Health/Medical
  - Education
  - Skills/Interests/Recreation
  - Once the MHC completes the report, they send it to the MHC Clinical Supervisor for review
  - Once the Supervisor reviews the report it is stored in a statewide shared drive that connects between Parole and the two facilities
2. The case is presented at the weekly Admissions Team meeting which is held every Tuesday at 1:00 p.m.
  3. After the case is presented, a decision is made about which facility the youth will be placed.

Although statute does not provide Judges the authority to order placement into a specific facility, Judges do have the authority to approve or disapprove the designated program. It is not uncommon to receive an order where a Judicial District "orders" a specific placement, which is always taken into consideration by the Admissions Team.

In the last legislative session, the Division received budget flexibility amongst the three correctional facilities which has allowed, to some degree, increased flexibility to the Division and Judicial System in the placement of youth for treatment because it allows DCFS to respond to the need for 250 beds across all three facilities and corresponding budget categories where needed. This flexibility allows the Division to react based on census instead of allocation per budget, per facility for areas such as personnel, operating, maintenance, transportation and training. However, although we have flexibility within the budget, we still have to operate within maximum bed capacity.

The Division will explore the benefits and consequences to this statute change during the 2016-2017 biennium, as the Division does not have an opportunity to submit any additional BDR's for the upcoming 2015 session.

Anticipate completion date: January 15, 2016

**Recommendation #4:**

Reduce risk to institutionalized pupils by maximizing use of lower security/lower cost facilities.

**DCFS Response #4**

The Division accepts this recommendation and believes the current process supports this recommendation as we move forward. The Division believes this is occurring now and will continue to explore the benefits to placing youth in the least restrictive environment. The Division recognizes that at the opening of Red Rock Academy there were times where a major factor of placement was taking into account the judicial preference. Since the facility has been at, or near capacity, the Division has had to rely

heavily on the Admissions Team process and also consider whether the Division starts transferring youth out of a maximum secure setting and place in to a least restrictive setting, such as NYTC or CYC in response to positive behavior, as a method of rewarding youth. Decreasing a youth into a lower level of care will still require judicial concurrence. The Division, can, verify, however that each youth placed at Red Rock Academy currently, is placed appropriately. The Division recently had to assess every youth in response to RRA Inching near full capacity to assess whether some youth should be transferred out.

Anticipate completion date: December 1, 2014 (we are actively implementing this recommendation)

Again, our Division thanks you for your professionalism, feedback and assistance as we move forward towards exploring and/or implementing the above recommendations.

Sincerely,



Amber Howell  
Administrator, Division of Child and Family Services

CC: Warren Lowman, Executive Branch Audit Manager  
Ashwini Prasad, Executive Branch Auditor-In-Charge  
Romaine Gilliland, Director, Department of Health and Human Services  
Steve McBride, Deputy Administrator, Division of Child and Family Services

## Appendix B

### Timetable for Implementing Audit Recommendations

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In consultation with the division, the Division of Internal Audits categorized the four recommendations contained within this report into implementation time frames. The division should begin taking steps to implement all recommendations as soon as possible. The division's target completion dates are incorporated from Appendix A.

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#### Recommendations with an anticipated implementation period exceeding six months.

<u>Recommendations</u>	<u>Time Frame</u>
1. Request reallocation of the DSA funding for institutionalized pupils being paid for by the state at Nevada Youth Training Center.	Feb 2015
2. Request reimbursement from Clark and Lincoln Counties for that portion of DSA services being provided by the state.	Mar 2015
3. Evaluate changing Nevada Revised Statute 62E.110 to give the state the power to determine which of the state-funded facilities is best for incarcerating youths and controlling costs.	Jan 2016
4. Reduce risk to institutionalized pupils by maximizing use of lower cost/lower security facilities.	Dec 2014

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The Division of Internal Audits shall evaluate the action taken by the division concerning report recommendations within six months from the issuance of this report. The Division of Internal Audits must report the results of its evaluation to the Committee and the Commission.