

Assembly

WAYS AND MEANS COMMITTEE - NEVADA STATE LEGISLATURE - 57th SESSION

March 26, 1973

Meeting called to order by Chairman Mello at 7:05 AM in the Ways and Means Committee Room.

PRESENT: Chairman Mello, Vice Chairman Schofield, Messrs. Robinson, Hafen, Smith, Prince, Howard, with Mr. Capurro arriving late.

ALSO PRESENT: John Dolan, Randy Webb and Ron Sparks.

Motion to approve the Minutes of the meeting of March 22, 1973, made by Mr. Howard. Second by Mr. Prince. Motion passed.

Insurance Premium, page 39: Move do pass Governor's Recommendation by Mr. Howard. Second by Mr. Schofield. MOTION PASSED.

Buildings & Grounds, page 45: Move do pass Governor's Recommendation by Mr. Prince. Second by Mr. Schofield. MOTION PASSED.

Buildings & Grounds Statewide Leases, page 49: Move do pass Governor's Recommendation by Mr. Schofield. Second by Mr. Prince. MOTION PASSED.

Marlette Lake, page 55: Move do pass Governor's Recommendation by Mr. Smith. Second by Mr. Robinson. MOTION PASSED.

Prison Administration, page 365: Move do pass Governor's Recommendation by Mr. Schofield. Second by Mr. Prince. MOTION PASSED.

Department of Public Safety, page 363: Budget dependent upon legislation on reorganization. Hold for further discussion.

Crime Commission, page 375: Move do pass Governor's Recommendation by Mr. Prince. Second by Mr. Hafen. MOTION PASSED.

Crime Commission Identification & Communications Division, page 378: Move do pass Governor's Recommendation by Mr. Hafen. Second by Mr. Howard. MOTION PASSED.

Crime Commission, Investigation & Narcotics Division, page 380: Move do pass Governor's Recommendation by Mr. Howard. Second by Mr. Schofield. MOTION PASSED.

Crime Commission, Federal Grants, page 383: Move do pass Governor's Recommendation by Mr. Schofield. Second by Mr. Prince. MOTION PASSED.

Commerce Department Director, page 398: Move do pass Governor's Recommendation by Mr. Howard. Second by Mr. Prince. MOTION PASSED.

Division of Insurance, page 401: Move do pass Governor's Recommendation by Mr. Schofield. Second by Mr. Howard. MOTION PASSED.

Banking/Savings & Loan Division, page 414: Move do pass Governor's Recommendation by Mr. Howard. Second by Mr. Smith. MOTION PASSED.

Division of Forestry, page 455: Move do pass Governor's Recommendation by Mr. Howard. Second by Mr. Schofield. MOTION PASSED.

Fish & Game Fund, page 473: Move do pass Governor's Recommendation by Mr. Howard. Second by Mr. Smith. MOTION PASSED.

Predatory Animal & Rodent Control, page 494: After considerable discussion and the introduction of Senator Lamb's proposed budget it was decided to hold this budget until the Committee had time to consider the proposed budget.

Nevada Youth Training Center, page 337: Discussion on the reinstatement of the Psychologist IV position requested by the agency but not recommended by the Governor. It was decided to amend the budget to include this position so that the youths would have the professional help they need at all times. Move do pass Governor's Recommendation amended to include one full time Psychologist IV position by Mr. Robinson. Second by Mr. Schofield. MOTION PASSED.

Youth Parole - Boys School, page 340: Move do pass Governor's Recommendation by Mr. Schofield. Second by Mr. Howard. MOTION PASSED.

Youth Training Center - Vocational Dev., page 341: Move do pass Governor's Recommendation by Mr. Prince. Second by Mr. Howard. MOTION PASSED.

Boys School - Girls School Reserves, page 342: Move do pass Governor's Recommendation by Mr. Schofield. Second by Mr. Robinson. MOTION PASSED.

Nevada Girls Training Center, page 343: Move do pass Governor's Recommendation amended to include one full time Psychologist IV position by Mr. Robinson. Second by Mr. Schofield. MOTION PASSED.

Youth Parole - Girls School, page 346: Move do pass Governor's Recommendation by Mr. Schofield. Second by Mr. Prince. MOTION PASSED.

Girls Training Center Counseling, page 347: Move do pass Governor's Recommendation by Mr. Howard. Second by Mr. Schofield. MOTION PASSED.

Childrens Home Division, page 348: Move do pass Governor's Recommendation by Mr. Howard. Second by Mr. Prince. MOTION PASSED.

Childrens Home Clark County, page 350: Move do pass Governor's Recommendation by Mr. Smith. Second by Mr. Schofield. MOTION PASSED.

Good Shepherd, page 352: Move do pass Governor's Recommendation by Mr. Prince. Second by Mr. Smith. MOTION PASSED.

Spring Mt. Youth Camp, page 353: Move do pass Governor's Recommendation by Mr. Schofield. Second by Mr. Robinson. MOTION PASSED.

Clear Creek Youth Center, page 356: Move do pass Governor's Recommendation by Mr. Capurro. Second by Mr. Schofield. MOTION PASSED.

Committee To Hire The Handicapped, page 358: Move do pass Governor's Recommendation by Mr. Capurro. Second by Mr. Schofield. MOTION PASSED.

OEO, page 359: Move do pass Governor's Recommendation by Mr. Schofield. Second by Mr. Prince. MOTION PASSED.

Break taken at 8:05 for ten minutes.

John Dolan explained the Food Stamp Program as outlined in his Memorandum which was presented to the Senate Finance Committee. See attached.

Commodity Food Program, page 73: Move do pass Governor's Recommendation amending the General Fund appropriation to \$18,900 for each year of the biennium, by Mr. Capurro. Second by Mr. Howard. MOTION PASSED.

Food Stamp Program, page 552: Move do pass Governor's Recommendation amending to include \$76,741 additional General Fund appropriation by Mr. Robinson. Second by Mr. Capurro. MOTION PASSED. The additional funds are needed since Washoe County has opted to enter the Food Stamp program.

Meeting adjourned at 9:15.

MEMORANDUM

TO: SENATE FINANCE COMMITTEE
FROM: JOHN F. DOLAN, DEPUTY FISCAL ANALYST
SUBJECT: FOOD STAMPS (REQUEST FROM SENATOR YOUNG) - BUDGET PAGE 552

Introduction

The 1973 Executive Budget includes an appropriation/authorization request to institute a Food Stamp Program in Clark County. Currently food assistance in Nevada is provided through the Commodity Food or Donated Food Program. The budget request would permit Clark County to participate in the Food Stamp Program⁽¹⁾ if the County Commissioners request the program,⁽²⁾ if the Nevada Legislature authorizes the program and⁽³⁾ if the United States Department of Agriculture approves Nevada's program application. Although funds are included in the Executive Budget for the Food Stamp Program, the narrative accompanying the budget indicates the administration's preference for continued participation in the Commodity Food Program.

This memorandum includes a brief explanation of the Food Stamp Program and its relationship to the Commodity Food Program.

The Mechanics of Food Stamps - Generally

The modern Food Stamp plan enacted in 1964, and administered by the United States Department of Agriculture, gives locally certified low income families and individuals an option to buy food vouchers - "stamps" - bearing face value well in excess of their purchase price. Stamps are good in normal trade channels for almost all food items. Stamps cannot be used for the purchase of such things as paper products, cigarettes, beer, liquor, laundry products and imported foods. The actual difference or "bonus" between cost to the recipient and the face value of stamps varies according to family size and income.

Schedule 1 on page 5 shows the income and purchase requirements for the program. Food stamps are the same price for public assistance recipients and non-recipients. The former are automatically eligible, the latter can be certified if the family monthly income by household size is not in excess of the established standards. In determining eligibility both assets and income are considered.

Physically, food stamps are coupons about the size of a dollar bill issued in denominations of 50 cents, \$2 and \$5. Books valued at \$2, \$3, \$10 and \$20 are procured at banks, post offices, or government food stamp centers--as the individual state determines. The stamps are exchanged for food at certified food outlets. The recipient must present his identification or authorization to purchase card and sign each book of stamps. If change is less than 50 cents, cash can be returned; change greater than 50 cents is made with stamps previously accepted by the retailer and not yet redeemed. The stamps are redeemed through normal commercial banking procedures. The stores deposit their stamps in their bank. The bank sends these stamps through the Federal Reserve System where federal USDA appropriations redeem the stamps at their face value.

The United States Department of Agriculture is responsible for administering the Food Stamp Program through the Food Stamp Division of the Food and Nutrition Service. The Food and Nutrition Service administers all food programs, and has a separate division for commodity distribution and child nutrition programs.

The role of the Food Stamp Division is to:

1. Write and rewrite program regulations.
2. Issue instructions and guidelines to state and local welfare agencies and complete agreements with states on how they will carry out the program. When each new regulation is issued, these agreements must be amended to include compliance with them.

3. Supervise the printing of the stamps and their transportation and delivery to local outlets.
4. Investigate and then refer charges of discrimination or fraud in program operation to the Office of the Inspector General.
5. Approve and monitor the participation of wholesale and retail grocers in the programs. Grocers who violate the program regulations are removed from the program.
6. Make periodic review, evaluation, and audits of all phases of program operations on the state level.

The current law requires that the operation of a food stamp program in a locality be "at the request of an appropriate State Agency." If the state is willing to have a program, each county or other appropriate unit within the state must make its own choice. USDA's involvement at this level is to establish the outlines of the program.

No county can be involved in the food stamp program unless the appropriate state welfare agency, that is, the one that administers federally-aided public assistance programs, accepts responsibility for overseeing the program wherever it functions in the state. (This, then, links USDA federally and regionally with the state and local welfare units whose primary programs tie them to HEW.)

The state welfare agency must also file a plan of program operation, called the "State Plan", for USDA's approval. This plan, among other things: (1) must bind the state welfare agency to obey all applicable Federal regulations, (2) must set forth the state's eligibility standards for determining which families can receive stamps, (3) must state the proposed certification procedures, (4) must indicate those places within the state where food stamps will be available, and (5) must set forth state practice concerning all non-mandatory USDA regulations.

Each of the states participating, according to the Act, has to "assume responsibility for the certification of applicant households and for the issuance of coupons."

The state welfare agency may not delegate control over the certification process to any other organization, although it can contract the issuance aspect to another agency, including banks, community action agencies and the post office.

The federal government participates financially in the program by providing the funds for the stamps themselves and by reimbursing the states on a matching formula for the salary costs of certification, outreach, and fair hearings. The states bear a 100% responsibility for the non-salary items (travel, operating, and equipment) and stamp issuance or transaction costs. In most states it appears that the combination of reimbursable and non-reimbursable costs calculate to over-all matching ratio of 70% state, 30% federal (excluding the redemption of stamps at face value).

Food Stamps and/or Commodity Foods?

Before the 1971 amendments to the Food Stamp Act, the law flatly prohibited distribution of commodity foods to households in areas with a Food Stamp Program. The only exception was in emergency situations as a result of a natural disaster (flood, hurricane, earthquake or economic disaster). The 1971 amendments expanded the dual concept to include the transition period between stamps to commodities and upon state agency request provided that no single household receives the benefits of both programs simultaneously. The USDA may legally approve the dual program but to date have almost universally denied applications for such a dual program.

If the Legislature authorizes only the Food Stamp Program, the General Fund appropriation in the Commodity Food Program on page 73 can be reduced correspondingly. This approximate \$94,000 annual appropriation is recommended to relieve the counties from the financial responsibility for the distribution charge on transporting food from the state to the counties for their needy families. The General Fund reduction in the Commodity Food Program will depend on the number of counties electing and authorized to participate in the Food Stamp Program.

DEPARTMENT OF AGRICULTURE - FOOD STAMP PROGRAM

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BASIS OF COUPON ISSUANCE
for the 50 States
&
District of Columbia

For a household of -	1	2	3	4	5	6	7	8
monthly coupon allot.	\$32	\$64	\$92	\$112	\$132	\$152	\$172	\$192

Monthly net income	MONTHLY PURCHASE REQUIREMENT							
0 - 19.99	0	0	0	0	0	0	0	0
20 - 29.99	\$1	1	0	0	0	0	0	0
30 - 39.99	4	4	4	4	5	5	5	5
40 - 49.99	6	7	7	7	8	8	8	8
50 - 59.99	8	10	10	10	11	11	12	12
60 - 69.99	10	12	13	13	14	14	15	16
70 - 79.99	12	15	16	16	17	17	18	19
80 - 89.99	14	18	19	19	20	21	21	22
90 - 99.99	16	21	21	22	23	24	25	26
100 - 109.99	18	23	24	25	26	27	28	29
110 - 119.99	20	26	27	28	29	31	32	33
120 - 129.99	22	29	30	31	33	34	35	36
130 - 139.99	24	31	33	34	36	37	38	39
140 - 149.99	26	34	36	37	39	40	41	42
150 - 169.99	26	36	40	41	42	43	44	45
170 - 189.99	26	42	46	47	48	49	50	51
190 - 209.99		44	52	53	54	55	56	57
210 - 229.99		44	58	59	60	61	62	63
230 - 249.99		44	64	65	66	67	68	69
250 - 269.99			70	71	72	73	74	75
270 - 289.99			74	77	78	79	80	81
290 - 309.99			74	82	84	85	86	87
310 - 329.99				86	90	91	92	93
330 - 359.99				86	94	97	98	99
360 - 389.99				88	98	104	107	108
390 - 419.99					102	108	116	117
420 - 449.99					104	112	122	126
450 - 479.99						116	126	130
480 - 509.99						120	130	134
510 - 539.99							134	138
540 - 569.99							136	142
570 - 599.99							136	146
600 - 629.99								150
630 - 659.99								152

For issuance to households of more than eight persons use the following formula: A. Value of total allotment. For each person in excess of eight, add \$16 to the monthly coupon allotment for an 8 person household

B. Purchase requirement. 1. Use the purchase requirement for the 8-person household for households with income of \$599.99 or less

2. For household with income of \$600 or more, use this formula: For each \$30 worth of monthly income (or portion thereof) over \$599.99, add \$4 to the monthly purchase requirement shown for an 8-person household with an income of \$599.99.

3. Maximum monthly purchase requirements for households of more than 8 persons, add \$12 for each person.

MEMORANDUM

TO: SENATE FINANCE COMMITTEE
FROM: JOHN F. DOLAN, DEPUTY FISCAL ANALYST
SUBJECT: DOLLAR VALUE COMPARISONS - FOOD STAMPS COMPARED TO COMMODITY FOODS

Several organizations have developed dollar figures to illustrate the comparative advantages of the Food Stamp and Commodity Food Programs. Figures distributed by the Welfare Division indicate the retail value of commodity foods to a family of four is \$74. The Welfare Rights organizations contend that the retail value of commodities to a family of four is \$32.

A review of the figures indicates that both are correct but not comparable. The figures developed by the Welfare Division are the value of commodities if the recipients were to receive all of the listed commodities in a month. The Welfare Rights figures are the actual average utilization per month for 1971-72. The Welfare Division is showing the maximum potential value while the Welfare Rights are showing the average actual value.

Apparently not all families take or can use all of the varieties of the commodities available each month. A family of four, for example, is eligible for six pounds of shortening per month, ten pounds of corn meal, and twenty pounds of flour. These items can not apparently be utilized each month so the average utilization is less than the maximum potential utilization.