

SENATE FINANCE COMMITTEE  
MINUTES OF MEETINGS  
FEBRUARY 15, 1973

The meeting was called to order at 8:35 a.m. Senator Lamb was in the chair.

PRESENT: Floyd R. Lamb, Chairman  
Warren L. Monroe  
B. Mahlon Brown  
James I. Gibson  
William J. Raggio  
Clifton Young  
Archie Pozzi

Earl Oliver, LCB Fiscal Analyst  
Bob Tripp, LCB Deputy Legislative Auditor  
Howard Barrett, Administrator, Budget Division  
Gene Pieretti, Management Analyst  
Cy Ryan, UPI

Others: Emil Greil  
Verna Johnson, EOB  
Roxie Claiborne, Reno  
Geraldine Decker, EOB  
Eugene Manuel, AIM  
Don Traversie, AIM Sparks  
Terence Traversie, AIM Sparks  
Nancy Gomes, Welfare Coalition, Reno  
Susie Smith, CCWRO  
Janice Webb, CCWRO  
Jack Anderson, Clark County Legal Services  
B. Mahlon Brown, Clark County Legal Services  
Fr. Louis Vitale, Franciscan Center  
Eloise Russell, CCWRO  
Sylvia Leaks, PPPT  
Sister Carole Hurray, Franciscan Center  
Ruby Duncan, CCWRO  
Maya Miller, Coalition for Welfare Alternatives  
William Halvorson, Franciscan Center  
Terry Gomes, Reno

Agency: Terry Sullivan, Purchasing Division  
Jack Middelton, Mental Hygiene & Mental Retardation  
Gwen O'Bryan, "  
Roger Glover, "  
D. T. Tomlinson, Welfare Division  
John R. Duarte, "  
Minor Kelso, "

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Gloria Handley, Welfare Division  
Betty Madison, "  
George Miller, "  
Ed Scharr, Budget Division

RURAL CLINICS - Pages 287-289:

This program is 90% federally funded for the first year, and this reduces gradually to 70% federal funding to the end of the eighth year. The agency requested \$47,000 in-state travel and the governor recommended \$40,000. This is basically a traveling program (see explanation on page 289). This division has contracted for air travel at a cost of 2-1/2 cents per mile and it would cost 12¢ per mile by motor pool or state car. It would be expensive to transport professional staff by car because of the travel time considering high salaries paid to professionals, who would perhaps charge travel time. They have 4,030 client contacts per year, although this doesn't mean they have 4,030 clients.

MENTAL RETARD CENTERS - Pages 290-292:

Contract services are primarily for medical services. Under social services on page 290 Mr. Barrett stated he felt they would receive only \$20,000 instead of the \$109,000 in federal funds. This will remove most of the staff which are requested. In addition none of this social services money can be used for room and board or maintenance.

The great percentage of retarded persons receiving money from this program are adults. The funding of \$250,000 allots up to \$1,000 per retarded person. There is a tremendous effort to maintain the children in their home, and the local schools and clinics are beneficial in providing some day care relieving the burden on the parents by allowing the children out of the home for a few hours each day. The schools have picked up a lot of the load through their special education programs.

TESTIMONY BY WELFARE RECIPIENTS, ETC., CONCERNING WELFARE:

Ruby Duncan stated that the state paid \$22.50 per month for food for seeing eye dogs and yet allowed only \$27.50 per month for one child, and of this they paid only for an actual need of \$15. Mr. George Miller of the Welfare Division stated that they did this due to the requirement of a state statute.

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The governor recommends an allotment of \$42 per child, the welfare coalition recommends \$82.50, they stated the poverty level was \$90 and the decency level was \$150 according to federal definitions. It costs \$128 per child in foster homes, \$420 in the childrens' home, \$1,000 in Caliente, \$1,125 in Elko, and \$1,109 in the state hospital according to their figures.

Susan Johnson stated that commodity foods are worth \$80 according to state figures, but that they are actually valued at \$38.64 wholesale and \$46 retail per hundred pounds of food. She stated they were 50% starch. She said if the state funded \$31 the federal government would provide \$81 for a total value to recipients of \$112.\* She said if both Washoe and Clark County participated in the food stamp program the state would have to pay \$466,000 in administrative costs. This would generate \$5,184,000 to Nevada businessmen and would provide that amount of money for food to welfare recipients. This would create an additional \$181,440 paid to the state through the sales tax, so the program would cost only \$284,560 actually for administrative costs. The food stamp program would generate 270 new jobs in Nevada according to Dept. of Agriculture figures.

In January 1, 1973 senior citizens will not be eligible for either the food stamp program or the commodity food program due to federal legislation, but there is a move to correct this error in Congress. Food stamps would be limited to purchases of food and would not be allowed for imported foods, tobacco, or liquor.

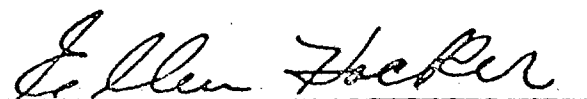
It costs \$188,000 to administer the commodity food program in Clark County. Mr. Sullivan of State Purchasing, stated there was four million worth of commodity food coming into Nevada of which only 60 to 65% of the food is actually going into welfare programs, the rest is used by institutions (schools, etc.). This leaves 2-1/2 million for welfare commodity foods based upon San Francisco wholesale market value.

Also see attachments.

The meeting adjourned at 11:00 a.m.

\*For the food stamp program.


Respectfully submitted,



Ellen Hocker - Secretary

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APPROVED:

  
Floyd R. Lamb, Chairman

## THE CASE FOR ADDING FOOD STAMPS TO THE STATE OF NEVADA'S SUBSIDY PROGRAMS

What will food stamps do for low income people and for the economy? What will food stamps cost the state to Administer? What effect will H.R. I have on food stamps?

1. Food stamps provide low income persons with the additional income potential to purchase wholesome foods such as meat, fresh vegetables, fruit and animal by-products they would not otherwise be able to obtain.
2. Food stamps provide the means to obtain a nutritional diet. (See Exhibit A, analysis of nutritional value of commodities.
3. No liquor or tobacco products can be purchased with food stamps.
4. A great majority of low income persons in Clark and Washoe Counties want food stamps. Although the Welfare Division states that the people of Washoe County would prefer commodities they have never published any facts to support this position. Mr. Miller has not contacted any low income groups on this issue.
5. The food stamps are free from the federal government. The recipient purchases the stamps from the issuing agency, (See Exhibit B, analysis of who's eligible). The state pays the administrative costs of the program. The state estimates the cost at \$311,000 for Clark County. The program, even by state welfare estimates could be extended into both Clark and Washoe Counties for \$466, 000. However, since the Welfare Division served 180,000 fewer cases than anticipated over the current biennium, what are the 21 extra eligibility workers who were hired in 1971 now doing?
6. Food stamps will generate \$5,184,000 into the state economy. Sales taxes from the program will be \$181,440. Thus, the state will pay \$284,560 for the program. However, the United States Department of Agriculture estimates that 270 new jobs will be created by the Federal dollars being pumped into Nevada's economy.
7. By the state's estimate approximately 39 new people would have to be hired to administer the program in Clark and Washoe Counties. If Welfare Recipients were hired for the eligibility workers or other needed positions the program would more than pay for itself on the saved welfare payments alone.
8. Economists estimate that the federal funds would have a multiplier effect of 2.5 in the economy. Thus, the approximately \$5 million from Food Stamps could generate 12.5 million dollars into Nevada's economy.
9. Senior citizens are especially reluctant to use commodity foods because of transportation problems to the food distribution point; diet restrictions imposed by medical problems; lack of facilities to cook with, many senior citizens rent only rooms without adequate refrigeration units and often with only a hot plate to cook on.
10. H.R. I. Mr. Tomlinson testified to the Assembly Ways and Means Comm. that Senior Citizens will not be eligible for food Stamps as of January 1, 1974. This is true. However, he failed to mention that they will also be denied Commodity Foods as of January 1, 1974. The switch to Food Stamps should still be made as there is a strong movement in Congress to Amend H.R. I. so that Senior Citizens will be eligible when H.R. I does go into effect.

ACTUAL COST OF LIVING--FAMILY OF FOUR (At home), Per Month.

SHELTER: \$ 160.00+ (to :  
RENT \$ 105.00-160.00  
UTILITIES (Electricity, Gas, 45.00  
Water, Sewer, Disposal)  
REPAIRS 9.00  
\$ 159.00-214.00

FOOD: \$ 140.00

CLOTHES: \$ 72.00

per year  
Shoes (4) \$ 60.00  
Shirts (8) 48.00  
Pants/skirts (8) 64.00  
Socks (12) 7.00  
Sweater (2) 14.00  
Jacket (1) 15.00  
Underwear (6) 7.00  
\$215.00 per year, per person

CLEANING: \$ 32.00

Soap (body) \$ 2.00  
Deodorant 2.80  
Bleach and Laundry  
Soap 8.24  
Laundromat 7.00  
Toilet Paper 2.25  
Towels, tooth paste  
and toothbrush 9.60  
\$ 31.89

SCHOOL COSTS: (for family of 4 with 2 in school) \$ 10.00

per year, per child  
Towels \$ 12.00  
P.E. Clothes 7.00  
" Shoes 10.00  
" Socks 4.50  
Folders, Pencils... 21.00  
\$ 54.50 per year, per child

(Other Costs: Book Deposits \$ 10.00  
Occasional) (Washoe Co.)  
Lab costs 12.00-25.00  
Shop  
Home Ec.  
Driver's Ed. 30.00

TRANSPORTATION: \$ 20.00

To Stores, Welfare Dept., Voc. Rehab., Hospital &  
Doctor, Job hunting, etc.... )

MEDICAL COSTS: \$ 15.00-20.00  
(Beyond SAMI Aspirin, Band-aids, Medicaid Soap  
& Shampoo, and other non-covered medicines.) 1 227

TOTAL..... \$ 448.00 - 494.

Actual Costs to live

Family of 4 at Home

Shelter

Rent -----\$]05.00 to \$]60.00

\$]60.00

Utilities ----\$ 45.00

(Water, electricity , garbage, heat, sewer)

Repairs-----=\$ 9.00

\$]60.00 -\$200.0

-----  
Food

\$]40.00

-----  
Clothes per year

Shoes 4 60.00

\$ 7] .00

Shirts 8 48.00

pants 8 64.00

sox ]2 7.00

Sweater 2 ]4.00

Jacket ] ]5.00

Underwear 7.00

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2]5.00

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Cleaning

\$32.00

Soap \$8.00

Deodrant 2.80

Bleach & Laundry soap 8.24

Laundromat 7.00

Toilet Paper 2.25

Towels

Toothpaste -9.60

-----  
\$3] .89

School Costs  
(2 out of three children in school)

\$10.00 or \$11

<del>XXXXX</del>	per year
Towels	\$12.00
P.E. Clothes	7.00
P.E. Shoes	10.00
P.E. Sox	4.50
Folders, Pencils, Etc.	21.00
	<u>\$54.50</u>

other	
Book deposits (washoe County)	10.00
Lab Costs	12.00 to 25.00
Shop costs	
Home Ec	
Drivers Education	30.00

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Transportation

\$20.00

To grocery, welfare dept, Vocational  
Rehab. Hospital Etc.

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Medical Costs  
(above SAMI 0)

\$15.00/ 20.00

aspirin  
bandaids  
medicaid soap & shampoo  
mercurocrome

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\$12.00 per child per month

\$448-494



Caring for a Child in Nevada

per month per child

At Own Home	Average grant	
Governor's Recommendation	\$42.00	\$48.00
Our Recommendation	67.00	82.50
Welfare Agency	67.00	82.50
Actual Cost (as figured by the Bureau of Statistics)		
Poverty Level		90.00
Decency Level		150.00
As figured by Mothers		112.00

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Awaiting Adoption	Gov. Rec.	\$100.00
Foster Home		128.00
Children's Home		420.00
Caliente		1000.00
Elko		1125.00
State Hospital		1109.00

VALUE OF FOOD STAMPS TO THE STATE

\$311,000 - 466,000

\$27,000  
16 average bonus value  
—

\$432,000 per month for both countys

~~XXXXX~~

\$432,000  
12  
\$ 5,184,000 both per year  
35

\$181,440 in state sale tax per year

NEW COST

\$284,560

for food stamps

BENEFIT FOR ANADC

Family of Four

\$176.00 Grant

Rent  
30% of income 176  
53 deduction

\$106.00

53.00

\$176.00

176  
53  
123

\$31.00 For \$112.00

Actual Costs to live

Family of 4 at Home

Shelter

Rent -----\$105.00 to \$160.00

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Utilities ----\$ 45.00

(Water, electricity , garbage, heat, sewer)

Repairs-----=\$ 9.00

\$160.00 --\$200.00

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Food

\$140.00

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Clothes per year

Shoes 4 60.00

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\$32.00

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Shop costs	
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Drivers Education	10.00

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Transportation \$20.00

To grocery, welfare dept, Vocational  
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---

Medical Costs \$15.00/ 20  
(above SAMI 0)  
aspirin  
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