

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
February 23, 1977

The meeting was called to order at 8 a.m.

Senator Floyd Lamb was in the chair.

PRESENT: Senator Floyd R. Lamb, Chairman
Senator James I. Gibson, Vice-Chairman
Senator Eugene V. Echols
Senator Norman D. Glaser
Senator Norman Ty Hilbrecht
Senator Thomas R. C. Wilson
Senator C. Clifton Young

OTHERS : Ronald W. Sparks, Chief Deputy, Fiscal Analyst
Howard Barrett, Budget Director

Cy Ryan, UPI
Joe Chilman, Vice President, Nevada Adult Care
Association

Acel Martelle, Welfare
Keith Clark, Child Support
John Duarte, Welfare
Bill Labadie, Work Incentive Program
John McSweeney, Aging Services
Jane Douglas, Child Care Services
Myrl Nygren, Administrator, Health Planning & Research
Frank Holzhauer, Chief, Planning, Evaluation
& Development
Frank Mathews, Community Services

Senator Lamb introduced Joe Chilman, Vice President of the Nevada Adult Care Association. He explained that there had been a schedule change that Mr. Chilman was not aware of and he agreed that he should speak for a few minutes before the regular budget hearings began.

Mr. Chilman referred to the Assistance to the Aged and Blind Budget. He stated that on January 1, 1975, the aid was \$260 a month per patient. That included food, shelter, recreation for elderly people. On July 1, 1975, they were raised to \$275 a month and since then they have had no increases. He said he knew the Committee was well aware of the increases in the essentials in costs of living since that time, and he just wanted to say that they could not exist and give the care to elderly people that they should on \$275 a month.

The recommended budget is for \$305 a month effective July 1, 1977, with an increase to \$322 for the 1978-1979 year. He asked for at least \$325 now in order to give the people the service, the attention, the care that they deserve, with probably an increase in 1978-1979 up to about \$350.

Senator Lamb said the Committee was pretty sympathetic to the budget, no promises but they would do the best they could. He thanked him for appearing.

CHILD SUPPORT ENFORCEMENT PROGRAM: The chief objective of this program is to reduce welfare costs. The Social Service Amendments of 1974 require that all states must operate a program to locate absent parents and to secure court-ordered child support payments. Of those amounts collected, with respect to Aid to Dependent Childrent clients, the state may retain 50 percent. The remaining 50 percent is divided between the federal government and the Office of the District Attorney making the actual collection.

In addition to acting in the cases of Aid to Dependent Children clients, the State is also required to make this service available to persons not receiving public assistance. In these instances collections go to the client in the hope that regular receipt of child support payments will make the custodial parent less likely to have need of welfare grants.

Mr. Keith Clark, Chief Management Analyst, Child Support, spoke on this budget. He distributed a chart showing their caseloads and collections, copy attached.

Mr. Acel Martelle detailed the funding and the workings of the program and expressed his optimism that this program would eventually become self supporting. It has only been in operation since July 1, 1976.

CHILD PROTECTION: This budget provides funds for the promotion of programs which serve to treat and prevent child abuse and child neglect in the fifteen rural counties of Nevada. For the purposes of this program, child abuse is defined as any willful act of maltreatment, while child neglect is either abandonment or lack of care due to incapacity (physical, mental, or circumstantial such as incarceration.) Under this program, highly specialized homemakers can enter troubled homes and, by instructing the family in the basics of home organization and hygiene, can raise the level of family functioning, thereby lessening the likelihood of child neglect and possibly alleviating some of the in-home pressures which can result in child abuse.

Since protective services involve extremely sensitive contacts with clients, it is recommended that specialized training be available for emergency foster parents, day care providers and homemakers.

Mr. John Duarte spoke on this budget.

Senator Glaser asked how many cases they were servicing as of today.

In 1975 there were 45 reports; in the first six months of 1976, there were 113; they expect about 250 reports for 1977, and this is just in the rural counties.

WORK INCENTIVE PROGRAM: The purpose of this program is to render recipients of Aid to Dependent Children more employable, thereby lessening their dependency upon public assistance. Under the Work Incentive Program, the Welfare Division refers selected Aid to Dependent Children clients to the Employment Security Department for screening. The Employment Security Department then evaluates their employment potential and arranges vocational training for those chosen to participate.

Senator Gibson asked for some statistics on how the program was working.

Bill Labadie listed some figures. Senator Wilson asked if there was a positive relationship between the figures he had given and he replied so far as he was concerned there was not. He said this was a federal mandate, and they had no choice but to run the program. Senator Wilson asked what would happen if they cut it out.

Mr. Miller said they did that once and it didn't work. He said the program is at the minimum that the federal government would accept the program. He said they have the best WIN program in the western states.

Senator Wilson asked what they meant when they tried it and it didn't work.

Mr. Miller said they didn't go into it. They presented it to the Legislature saying that it was mandated; the Department didn't recommend it; the Legislature didn't like what was presented and they did not fund it. But they learned that without this program the state will lose other programs that are tied to it. If it is not funded the federal government will take the ADC funds that is approximately \$6. million.

Senator Wilson asked if this was the Congressional intent that if the State terminated a program the Federal government terminates money on another program. He asked if anyone had thought about filing a law suit and testing it.

Mr. Miller said the Federal government will not accept your state plan overall, if everything doesn't conform. Senator Wilson said he understood that, his question was, had anyone tested this in Federal court to test their jurisdiction to do this. He said he thought they ought to do this. He didn't believe Federal money should be spent on a program that is recognized not to be effective. This is a waste of public funds. He said this should be referred to the Attorney General and taken to the Federal courts and test whether Congress really intended to pass this kind of jurisdiction to that agency,

Mr. Miller said he had talked to the Attorney General, but did not get much help.

Senator Wilson said he was serious and he would like to get an opinion from the Attorney General and get back to the Committee with a recommendation. Senator Lamb asked him to work with the Department and report back.

AGING SERVICES: This division is charged with the overall planning coordination, evaluation, and administration of the state plan to improve the lives of older citizens by enabling them to live independently with dignity in a home environment. Some of the activities that the Division will be directly or indirectly involved with are housing, nutrition, transportation, home health care, training and education, employment, information and referral, foster grandparent programs, retired senior volunteer programs, and senior citizen centers.

John McSweeney spoke on this budget and gave a handout to the Committee outlining the activities of the program. He detailed the information in the memo. He answered questions of the Committee relative to the budget. A general discussion followed on the workings of the program. Senator Hilbrecht questioned the need of such a large administrative staff. He said he was disturbed at the amount of money it takes to deliver dollars. Mr. McSweeney said he was too. He cited areas where he had made great efforts to accomplish a reduction in the administrative expenses. He said in some of the programs the Federal government mandates the number of people who will administer a program.

Senator Glaser asked about the \$50,000 for Urban Mass Transit.

Mr. McSweeney said this was also to help match Title XX funds to support transportation for elderly people.

DIVISION OF CHILD CARE SERVICES: This division was created by the 1973 Legislature to coordinate community and state efforts in improving the quality and increasing the availability of child care services and related programs, with emphasis on service to low and marginal income groups. The division has acted in the areas of community planning, information services and training sessions for people in the child care field during the last biennium.

The division and its board members have established statewide work plans to institute priority child care programs each year. Related programs have and will include child abuse/neglect prevention task forces, protective services and conferences on children. The division has also established a registry of child care services that are available by their type and number.

Jane Douglas spoke on her budget and gave the committee a handout giving more details on the services which the division offered. She praised the Board who worked with her for their efforts and the time they spent in developing the programs.

She explained that licensed child care in Nevada is early childhood education. The average child spends nine plus hours a day, over 21 days a month, 12 months out of the year in a licensed child care center. She said one of their concerns was for the children who were not in licensed child care centers. Although they might be receiving good care, they often had a life of TV with little activity and opportunity to develop properly in the important formative years.

Senator Lamb asked her to detail what the program had accomplished in the rural areas. Miss Douglas said they had not been able to implement as much as she would have liked in the rural areas because they work through the board members. One of the board members is from an Indian tribal group and the other from Fallon and was not an active board member.

She said a new facility opened in Elko and there were some problems; they did offer a full range of services. She said her agency was in constant contact with them, hoping they would be able to stay open. She said about the best help they could offer was moral support, but they have been able to stay open and they are still offering the full range of services. She said they were also working with the Community College in Elko on the Headstart Supplemental Training Office which is situated in Reno. She said they arranged for training and it was very well attended.

Senator Lamb mentioned a letter he had received which did not speak very highly of the program. This was from Washoe County. Miss Douglas said she worked a great deal in Washoe County and she listed some of her activities. Senator Lamb read a part of the letter. Miss Douglas said she believed she knew who the letter was from. This person had been an open critic of the division. She said if it was the person she thought, that the person had never participated in the licensing workshops or in the training.

Mr. Trounday spoke of the things that had occurred in that area, and he said he also thought he knew who the letter was from. They felt by establishing the agency they were going to be able to provide services for the low income families and the welfare recipients.

An assessment was done of the welfare recipients and they stated very emphatically to the welfare division that they did not want child care facilities for their children. They preferred to get the money in a grant available to them, and they would arrange their own baby-sitting with their neighbors. But by the same token, there was need to upgrade the skills of those people who do provide. The welfare people have indicated that they preferred to keep the grant level where it was and buy their own, rather than going into a child care facility. The goal that that particular individual, who wrote the letter, had was not one that the welfare recipients wanted.

Senator Lamb said what they wanted was not money at the administrative level, but rather down at the grass roots level where it benefitted the children. He said he did not see the success in the program that he would like to see.

February 23, 1977

Senate Committee on Finance

Janet McBath, a Child Care Center operator, spoke of the good that the program had done with training and workshops. Senator Lamb asked her if the agency referred children to her child care center. She replied that they did, and Senator Lamb said she had an axe to grind in supporting the program. Miss McBath said she has highly supportive of this division. She listed some of the work done in great detail, and spoke particularly of the work that the child care centers had been able to do in the field of child abuse and she explained the program that had been worked out through the cooperation of the various agencies in government.

Senator Hilbrecht said he felt that the function of the division was to get into a community and set the programs up. Then the local community was to carry it on from there. He did not feel it was a program that should be enlarged. He felt it was time to move from the larger counties to the rural areas.

Miss Douglas answered other questions from the Senators. These were from all income groups. She said they were concerned with the quality of these childrens' lives and they worked on the accreditation of the centers in an attempt to maintain a high level.

Senator Young asked where they were going in these programs and Miss Douglas listed the work that had been done and the on-going plans of the division.

Other questions followed with discussion as to relative merits of the programs. There were no further questions and Senator Lamb thanked Miss Douglas for appearing.

A gentleman who identified himself as Jerry Voss, a child care provider, asked to speak. He and his partner had seven child care facilities that are called commercial nurseries. Six of these are operated in the Clark County/Las Vegas area.

He said they provided quality child care to a very large segment of the population, that is the lower/middle and middle class parents. He described the operation of his programs. He said they had a substantial investment in the facilities. Senator Lamb asked if the State didn't have this program, was he saying that his child care centers would go down.

Mr. Voss said what he was trying to say was that should the division, for any reason, be removed that someone else would take over the function. He said that, at present, they have a very viable agency, someone they could go to for assistance in improving and upgrading their programs, without increasing the cost to the consumer. He said this was a voluntary form of accreditation. He said if the people who were taking care of the children in Nevada could meet just the broad parameters of the job descriptions, then the result would be quality child care.

Senator Lamb said he was familiar with the child care centers that Mr. Voss operated, but he was concerned with subjects pertaining to the budget.

Senator Hilbrecht said he commended Mr. Voss for this interest, but he said the thing that disturbed him was probably the same thing that disturbed Senator Lamb, and that was that he was in private business and it was to his best interests to improve his services, it was his duty if he hoped to maintain his license. He said he did not feel they needed a big bureaucratic agency to do this, because it was the duty of the Child Care Centers to do this, and he felt that the operators should be paying for some of the training they are receiving.

Mr. Voss spoke of his own licensing and spoke of the expertise the agency had developed.

Senator Lamb said he was going to close the hearing.

The committee moved to the consideration of the next budget.

DEVELOPMENTAL DISABILITIES: This program is an extension of the Federal Development Disabilities and Facilities Construction Act. Prior to the passage of recent amendments to the law, this budget was essentially a grants account administered by the Rehabilitation Division, which allocated funds to local facilities for the developmentally disabled. The amendments contained in the law had two effects: First, Nevada's allocation of basic federal funds was raised from \$100,000 to \$150,000 per year. In addition, \$20,000 per year in federal advocacy funds has been made available. Second, the amended law places increased emphasis on planning, coordination and training in an effort to assure that quality services are being delivered at the times and places they are needed.

Mr. Trounday introduced Merl Nygren and Frank Holzhauer to speak on the budget.

Miss Nygren said that the Developmental Disabilities Law, Public Law 94-103, requires and provides for planning and provision for services to the developmentally disabled through project grants. The Planning activity will involve surveying and assessing where there are gaps in services and attempting to fill in the gaps by awarding project grant funds to non-profit organizations and some state agencies for the needed services or for demonstration projects to show how services might be provided. These project grants are usually one year in duration. The specific purpose of planning is to provide individuals who are developmentally disabled with appropriate treatment services and rehabilitation to maximize the potential of an individual in the least restrictive setting. The developmental disabilities law requires that each state receiving assistance shall provide for assignment of personnel adequate to insure that the council has the capacity to fulfill their responsibilities. This budget is proposed to provide support to the developmental disabilities council so that the planning can be done and the project grants can be awarded.

The Governor has recommended \$10,000 of state funds for the budget, and the federal match for that would be \$150,000. In addition, there is \$20,000 that is 100 percent federal funding to implement a system of protection and advocacy for the developmentally disabled. She described the new positions requested in the budget and the needs; the travel requirements and answered questions relative to the budget and the kind of people who qualify for assistance under these grants.

Mr. Holzhauer detailed some of the programs where these grants were used and listed different communities where facilities were provided and training programs were offered. He said these are generally one shot grants, they specify what the money is needed for in a program. The programs are audited at the end to make sure the money is spent as intended. None of this money buys staff.

Senator Lamb thanked them for coming.

OFFICE OF COMMUNITY SERVICES: Mr. Mathews said that his Office of Community Services was formerly the Office of Economic Opportunity. The central function is the mobilization of public and private resources to eliminate the causes and effects of poverty. Community Services works closely with the Clark County Economic Opportunity Board, the Washoe County Community Services Agency and the Inter-Tribal Council in projects designed to improve the quality of life available to Nevadans.

The federal funds are received under the Federal Community Services Act of 1974, which continues the activities originally authorized by the Economic Opportunity Act of 1964, including Headstart, Community Action, and Community Economic Development programs.

Mr. Mathews said they had prepared for the White Pine County Chamber of Commerce's Industrial Development Committee, a few months back, an application to the Department of Economic Development Administration and also an overall economic development plan which is required and which is necessary prior to their receiving any Department of Commerce assistance.

He listed other projects, which the office had provided or assisted in the preparation of, around the state. He said if it seemed there was a duplication of services, this was not so, it was more supplementary than duplicative. He said they do not deny any requests they receive for rural assistance which is requested by the authorities in that community.

He cited programs for the elderly and youth recreation in Mineral County.

They have provided technical assistance to senior groups, counties and city officials and local officials and assisted in youth recreation activities.

He answered questions from the Committee with specifics on the assistance rendered political entities throughout the state. He said they had done considerable work in Mineral and White Pine Counties, because these areas are having severe economic problems.

He read a statement on the New Careers Program listing the results of the first 17 months of operation. They started the program on July 1, 1975. This was planned to tie in with the regular fiscal year start and with the federal funding date for the office. The staffing was not completed until the end of three months as the necessary contracting, advertising and interviewing took considerably more time than was originally anticipated. They have now placed 172 clients in the private sector; 188 as of the date of the hearing. He answered questions with reference to CETA compared with the costs and the people reached in this program. He said his initial activity was making contact with employers for people who lacked the confidence or know-how of finding positions for themselves.

In answers to questions from the Committee he described the problems he had had with other state agencies in trying to get funds. He said that many of the programs that he had made application for through the Welfare Department had been given to the Welfare Division and not referred back to him as the original requester.

In answer to Senator Lamb's query as to activity in Child Care Centers, he said if a mother wanted to go to work, if her income was sufficiently low, they will try to place the child in Head Start; if the child cannot get in this program they can then ask the Welfare Department to reimburse them for services and the child will be placed in a properly licensed day care center.

He answered questions on other programs that are operated around the state. He introduced two women who worked with the low income people, particularly in the CSA energy program. Senator Glaser said he had good reports on this program.

Senator Young discussed the Shoshone Grant and Mr. Mathews gave him information on some funding, saying that this was for legal defense to be paid to a law firm in Salt Lake City. He said many of these programs are for people who need assistance, who need someone to advocate for them, to give them advice; that is the reason these programs are in existence, to give assistance.

Mr. Barrett asked Mr. Mathews to speak on an item that was not in the budget.

February 23, 1977

Senate Committee on Finance

570

Mr. Mathews said that at the last session of the Legislature a bill was passed, a bill creating a rural housing authority. It was enabling legislation that gave the office a right in accordance with NRS 315, governing housing authorities, to put a program together to take care of rural areas. The reason it could not be done, county by county, is that again to administer such a program, the costs are excessive. They do not have that kind of a tax base.

So HUD, with a section A program, the housing subsidy program, granted to the agency over a five-year period, a sum that was almost \$1. million. One of the requirements is that this housing authority, which is a public corporation have a commission appointed, in this case by the Governor, and that they hire a Director, hire a staff and pay directly to landlords, subsidized amounts.

There was a question at one time whether this money should go through state government, and the only precedent for not putting it through state government was that no housing authority puts its money through a unit of local government. They are contracting on a daily basis and there is simply no way, regardless of how efficient the state system is, to give a landlord a check on any given day at any given time. So they have a system now that enables them to contact an apartment owner who wishes to rent, make the payment, draw up the contract and do it immediately.


Mr. Barrett said this isn't in the budget because the monies are not in the State Treasury, but it is federal monies that they have received and are spending.

Mr. Mathews said these programs are operating in the larger counties but there were none in the small counties and the mechanism had to be designed, to permit this to happen.

Senator Young had other questions that there was not time to cover, and he asked Mr. Mathews to look into them and get with him later and give him more information.

Senator Gibson adjourned the meeting at 10:40 a.m.

Respectfully submitted,


MURIEL MOONEY, SECRETARY

APPROVED:


FLOYD R. LAMB, CHAIRMAN

February 23, 1977

Senate Committee on Finance

601

9 February 1977

| | Collections With 31 Staff | | | | 5 Potential Additional Collections By FY | 6 Potential Additional State Share By FY | Caseloads With 31 Staff | | | | 11 Potential Additional IV-D Cases For Collection |
|--------|-----------------------------|------------------------------------|---------------------|------------------------------------|------------------------------------------------------|------------------------------------------------------|--------------------------|--------------------------|-----------------------------|----------------------------------|---------------------------------------------------------------|
| | 1 Monthly Collections | 2 Cumm. Collections By FY | 3 State Share | 4 Cumm. State Share By FY | | | 7 IV-D Cases PA | 8 IV-D Cases NA | 9 IV-D Cases Total | 10 IV-D Cases Collected | |
| Aug 76 | \$ 784 | \$ 784 | \$ 187 | \$ 187 | | | | | | | |
| Sep | 3,833 | 4,617 | 1,386 | 1,573 | | | 5,760 | 281 | 6,041 | 55 | |
| Oct | 7,341 | 11,958 | 3,215 | 4,788 | | | 5,436 | 1,046 | 6,482 | 107 | |
| Nov | 15,567 | 27,525 | 7,081 | 11,869 | | | 5,520 | 1,321 | 6,841 | 189 | |
| Dec | 20,129 | 47,654 | 10,064 | 21,933 | | | 5,512 | 1,782 | 7,294 | 279 | |
| Jan 77 | 24,798 | 72,452 | 12,399 | 34,332 | | | 5,548 | 1,922 | 7,470 | 354 | |
| Feb | 28,643 | 101,095 | 14,321 | 48,653 | | | 5,583 | 2,062 | 7,645 | 409 | |
| Mar | 31,946 | 133,041 | 15,973 | 64,626 | | | 5,619 | 2,202 | 7,821 | 477 | |
| Apr | 33,249 | 166,290 | 16,624 | 81,250 | | | 5,654 | 2,342 | 7,996 | 508 | |
| May | 34,901 | 201,191 | 17,450 | 98,700 | | | 5,690 | 2,482 | 8,172 | 531 | |
| Jun | 36,552 | 237,743 | 18,276 | 116,976 | | | 5,725 | 2,622 | 8,347 | 560 | |
| Jun 78 | 36,552 | 438,624 | 18,276 | <u>219,312</u> | 211,068 | <u>105,534</u> | 5,910 | 4,302 | 10,212 | <u>560</u> | <u>538</u> |
| Jun 79 | 36,552 | 438,624 | 18,276 | <u>219,312</u> | 452,142 | <u>226,071</u> | 5,910 | 4,302 | 10,212 | <u>560</u> | <u>740</u> |
| Total | | 1,114,991 | | <u>555,600</u> | 663,210 | <u>331,605</u> | | | | | |

CHILD SUPPORT ENFORCEMENT ACTIVITY REPORT

9 February 1977

| | Sep 76 | Oct 76 | Nov 76 | Dec 76 | Jan 77 | Feb 77 | Mar 77 | Total To Date |
|--------------------------------------------|--------|--------|--------|--------|--------|--------|--------|---------------|
| A/P Located (By Fld. Off.) | 120 | 133 | 371 | 458 | | | | 1,082 |
| Secured Vol. Paternity Acknowledgement | 5 | 18 | 7 | 28 | | | | 58 |
| Referred to DA For Paternity Action | - | - | 84 | 88 | | | | 172 |
| Secured Vol. Support Obligation | - | - | 8 | 40 | | | | 48 |
| Referred to DA for Supp. Obligation Action | - | - | 176 | 206 | | | | 382 |

373

PARENT LOCATE SERVICE ACTIVITY REPORT

| | | | | | | | |
|-------------------------------------|-----|-----|-----|-----|--|--|---------|
| Ongoing PLS Requests | 212 | 254 | 318 | 530 | | | (1,314) |
| Current Month PLS Requests | 338 | 264 | 264 | 342 | | | (1,208) |
| Absent Parents Located | 58 | 61 | 22 | 60 | | | 201 |
| A/P's Unable to Locate | 238 | 82 | 18 | 60 | | | 398 |
| New Information Referrals | - | 57 | 12 | 87 | | | 156 |
| End of Month - Ongoing PLS Requests | 254 | 318 | 530 | 665 | | | (1,767) |

CHART #2