

Committee in session at 8:00 a.m. Senator Floyd R. 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 Thomas R. C. Wilson  
Senator Lawrence E. Jacobsen  
Senator Clifford E. McCorkle

ABSENT: None

OTHERS Mr. Ronald W. Sparks, Chief Fiscal Analyst  
PRESENT: Mr. Eugene Pieretti, Deputy Fiscal Analyst  
Mr. Howard Barrett, Budget Director  
Mr. Vernon Bennett, Executive Director, Retirement System  
Dr. Ralph DiSibio, Director, Department of Human Resources  
Mr. George Miller, Administrator, Welfare Division  
Mr. John Duarte, Chief, Management Services, Welfare Division  
Mr. Minor Kelso, Chief, Medical Services, Welfare Division  
Mr. William Labadie, Deputy Administrator, Social Services  
Mr. Ace Martelle, Deputy Administrator, Assistance Payments  
Mrs. Margaret Purdue, Las Vegas, representative, Title XX  
Mrs. Jean Dunn, Las Vegas, representative on Title XX  
Mr. John Rice, Associated Press  
Mr. Cy Ryan, United Press International

WELFARE DIVISION - Page 378

Welfare Administration

Mr. John Duarte, Chief, Management Services, Welfare Division, presented the budget. There was one change on Page 378 under Child Federal Percentage, Fiscal Year 1980-81 should be 43.45 percent. The basic State and Federal match within the Welfare Administration budget is 34 percent State dollars and 66 percent federal dollars. This was derived on a cost allocation formula based on their programs. There were 34-1/2 positions recommended for termination from the Welfare Division under the Governor's recommendation.

Mr. Miller commented that they are down from 17,000 to 10,000 recipients in the Aid to Dependent Children program. Mr. Miller stated that in this State, 1-1/2 percent of the population is on welfare. Mr. Miller said they have combed out the ineligible, and if any more positions are cut from his budget, they are not going to be able to function as efficiently.

Senator McCorkle asked if they have done such a great job with the staff they have, even if it is causing them to bleed; and there are fewer recipients now than before, why did the Welfare Administration ask for 118 new people. Mr. Miller replied that the 118 new people were not all going to be assigned to this area. The population of the State has gone up, and they are receiving an increasing number of applications. He said they were reviewing 500 applications a month, now they are running 800 a month. It takes just as long to process an application that is approved as it does to process one that is not approved.

Senator McCorkle asked if there is going to be greater costs of welfare and an increased number of recipients because of poorer screening by the Welfare Division, if the committee reduces the number of employees. Mr. Miller replied no.

Mr. Duarte stated that they are recommending the positions of auditor, quality control specialist, hearing officer, and security officer be transferred into the Welfare Administration budget from the Food Stamp budget. From the Child Support budget on Page 407, they recommend the accounting staff of senior accountant, accountant, senior account clerks, and one management analyst be transferred to

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administration. From the Medical Care budget, Page 396, they recommend the quality control specialist, senior management analyst, management analyst II and a statistician be transferred to Welfare Administration. The reason for these transfers is to try to consolidate the administrative portions of their budgets. They can also gain in their federal formula about \$14,000 in federal matching.

Senator Wilson asked whether or not those reductions on Page 382 represent a net reduction in force, or transfers to other budgets in the Division. Mr. Duarte said they represent a net reduction in force.

Senator Lamb asked why they have so much travel on Page 384. Mr. Miller stated that they did not think they had excessive travel. He stated that everyone traveling has to get personal approval from him. Mr. Miller commented that the total they are asking for is based on a percentage of what the cost had gone up rather than increased travel itself.

Senator Lamb asked about Other Contract Services is contractual arrangements that they have for various pieces of equipment. Primarily, four IBM copy machines, printing press, security systems. Senator Lamb asked why the high cost of duplicating expenses when they have their own printing press. Mr. Duarte said they still have to go outside to produce their forms.

Senator Lamb asked about Legal and Court Expenses. Does that represent two deputy attorney generals. They had three and cut back one. Mr. Miller said they have many suits. He said this was at one time cut from 5 to 4 in the total amount. The Attorney General has to provide them with legal services, so that is his decision.

Senator Lamb asked about Maintenance of Buildings and Grounds, \$103,000. Mr. Duarte stated that most of this expense is from the Las Vegas, Elko and Henderson offices.

Senator McCorkle asked why it takes longer to service ADC claims. Mr. Miller said they do a stronger investigation. The Federal rules on the processing of food stamps is entirely different.

Senator Wilson asked if there are any other programs that they did not think were worthwhile. Mr. Miller said that he did not at first recommend the WIN Program, the Food Stamp Program, or the Child Support Program. But once they received them, the agency has done very well with them. Senator Wilson asked if there were any of their programs where there is no demand. Mr. Miller answered that the demand for most services is larger than the agency has the capability to provide. So the services are limited to what they can do effectively.

Senator Jacobsen asked Mr. Miller about their Improvements. Mr. Miller stated this is for replacement of carpets, etc. for their older buildings.

Dr. DiSibio stated regarding the day care centers and child services coordinator in the Welfare budget, that earlier in the health budget they discussed the licensing of day care centers. He mentioned the fact that they were interested, at some point in time prior to the session closing, in taking both of those positions and moving them into a new Division of Children and Youth.

#### Aid To Dependent Children - Page 386

Mr. Duarte stated that the figure for December 1978 for the number of recipients was 9,055; for January of 1979, it was 9,703. Mr. Duarte said that they have been averaging about 888 applications, and it has started to catch up to them. Mr. Duarte said they have been on a downward trend for quite some time; he thinks they have bottomed out in the program. Mr. Miller stated they didn't think they were going to see a 700 increase every month.



Senator Lamb asked Mr. Miller to let the Committee know what the month of February has done. Mr. Miller predicted that it won't go over 10,500 at the very highest next year.

Senator McCorkle asked it if was fair to say that there is only three areas that legislation can control, maybe two. One being the Welfare Division and second the benefit per person and the third one, can the legislature control criteria for eligibility. Mr. Miller replied that they can control criteria for eligibility to some degree in some areas of ADC. In the Old Age Supplementary Security Income, the Blind Program and the Disabled Supplementary Security Income, they cannot, since that is run by the Federal Government.

Assistance to Aged and Blind - Page 388

Mr. Duarte stated they depend on the federal government to supply the information on how many people they actually have in the program. The division is contracting with them to handle the State supplement only. For October 1978, the aged category was 3,461 cases; in the blind category there were 371 cases. They have not received November figures as yet. The Governor's recommendations are based on an 8 percent increase per each year of the biennium. The supplement for aged singles is presently \$40.05. It is recommended to go to \$43.25 for Fiscal Year 1980, and \$46.70 for Fiscal Year 1981. For aged couples, the present rate is \$77.04 and goes to \$83.20 for FY 80, and \$89.85 for FY 81.

Senator Gibson asked if they are anticipating an increase in federal payments. He asked if it was already in the law so they know what is going to happen. Mr. Miller said that they do not know the amount that it is going to be. It was estimated in the budget as an 8 percent increase.

Child Welfare - Page 390

Mr. Duarte stated that for children waiting for adoption there is a slight increase in the number of children anticipated. The average cost per child is going to be \$200 in FY 80 and \$225 in FY 81. In the area of Transportation they have recommended \$25,000. In FY 78 they spent \$18,541 for Transportation. Mr. Duarte stated this seems like a large increase, but this is an area in which they have little control over because this is where they transport children to out-of-state institutions and out-of-state adoption placements. In the area of Foster Care on Page 391, the recommendation is \$225 for foster care in homes for FY 80 and \$250 for FY 81.

The Institution Services were raised by 15.8 percent over 78 Actual cost. The specialized foster care is recommended to go up to \$500 and to \$540 the second year of the biennium.

Medical Care Unit - Page 394

Title XIX - Mr. Duarte stated there is an increase of 10 percent for the average cost per year. The aged and disabled was increased at 15 percent on the average cost.

Senator Wilson asked how they administer their data processing services. Mr. Duarte stated it was with the Central facility.

Senator Lamb referred to Page 396 showing the State contributions. That is almost doubled. Mr. Duarte said that the cost in the aged category itself this last year was an increase of 31.3 percent. They are only recommending a 15 percent increase hoping some of these costs will start coming down. He stated what has happened is the cost of hospitals and long-term care has really gone up in this program. They have asked for two new positions.

Senator Gibson asked what is happening on the disabled causing such a jump. Mr. Duarte stated most of the cost is in hospitalization. Senator Gibson asked if the regulations are similar to those in California on Title XIX. Mr. Minor Kelso, Chief, Welfare



Medical Services, stated California has been in court for the past 5 years particularly in the area of voluntary care. They are spending around \$4-1/2 million a year on welfare recipients. They do not have any improvement in cost per individual. In the area of voluntary care, we have gone in the last 2 years from 900 persons in long-term care facilities to 1500.

Senator Gibson asked regarding their regulation on surgical procedures, if they require a second opinion. Mr. Kelso said that they do not require a second opinion. Mr. Kelso said if a Welfare recipient wants a second opinion, Welfare will pay for it.

Mr. Kelso stated that in long-term care, if you isolate just long-term care, you are looking at 50 percent of the budget. Looking at what is left, they have in actual dollars reduced the amount that they are putting out for physician services today. They are looking at somewhere between 75 and 76 percent of the entire budget in that area alone. There is nothing they can do about hospital costs other than limit admissions which they have done through their emergency control.

Senator Lamb stated that on their Contract Services that they have asked for \$7,000 and the Governor was recommending \$67,000. Mr. Duarte said that is not an error. They originally felt that they would transfer the money to the Health Division to do the certification of long-term care facilities, rather than contract with them.

#### Food Stamps - Page 399

Ace Martelle, Deputy Administrator for Assistance Payments presented the budget. He stated this program is to provide food stamps to those who qualify. He said that for December of 1978, the total caseload was 7,656; public assistance was 1,362 and non-public assistance 6,294. For January of 1979, the total cases was 8,259; public assistance 1,462; and non-public assistance was 6,797. The Governor's recommendation is for an average of 7,500 cases per month. Due to the changes in the Food Stamp Program, they are anticipating an increase and not a decrease over the next biennium. There was a total of 19 positions eliminated.

Senator Lamb asked why they anticipate an increase in food stamps. Mr. Martelle stated that it is due to the changes in the law, making it so that more people can qualify. They have been operating under the Food Stamp Act of 1964. Congress passed a new Food Stamp Act of 1977. That Act substantially changes the overall program.

Another change that is going to increase the number of recipients is the fact that the federal government has limited their capability on the amount of information that they can require to determine properly the eligibility of the household. They now can only ask for the social security number and identification for the head of household. Previously they asked for social security numbers and identification of all members of the household.

Mr. Martelle stated that their first projection was 8,911 cases for FY 1980 and for FY 1981, it was 9,471. They consider that now to be very conservative. In February, they project an estimated 9,415 cases. So there is a dramatic increase. Therefore, a new projection that shows FY 1980 at 9,814 caseload and FY 1981 at 10,213. they are going to require a total of approximately 130 staff in FY 1980 to handle this caseload, and possibly 136 for FY 1981.

Senator Wilson asked what the cost of delivery of services would be if they had followed their own regulations and standards. Mr. Martelle replied that they could probably substantially reduce it. He couldn't give a dollar figure, but if the State had the option that they could administer more efficiently by incorporating different types of regulations as far as eligibility criteria, and they could streamline the program.

Senator Wilson asked if those mandates were legislative or regulatory. Mr. Martelle replied legislative; and then certain discretionary power is given to the Secretary of Agriculture who then



writes regulations as he sees fit where the legislation is not absolutely specific.

Senator Gibson asked for a summary of what has happened since their letters of protest to the Secretary of Agriculture and to Senators Laxalt and Cannon. (See Attorney General Opinion, Attachment A). Their protests consisted of disallowing them to check certain areas of eligibility that they think are going to promote ineligibles being able to participate in this program. This is something that they have vigorously fought the federal government for the last five years.

#### Child Support Enforcement - Page 406

Mr. Duarte stated that the Child Support Enforcement Program is initiated to go after court orders and secure child support payments. The amount of money that is requested from the General Fund is \$50,000 which is returned to the General Fund. They need the \$50,000 to make the payroll costs. The costs are retrieved from the child support collections and the money is returned to the General Fund.

Senator Lamb asked Mr. Martelle what pass-on payments were. Mr. Martelle stated that those are payments passed on to other states where collections have been made for them.

Senator Gibson asked Data Processing is so heavy. Mr. Duarte explained that this a new on-line system that is coming into the program to handle the 17,000 cases.

#### Homemaking Services - Page 410

Mr. Duarte said this program is to provide homemaking services to welfare recipients. Mr. Miller said this is the most effective program they have. A typical case is a man and wife who were kept in their own home by this program providing a couple of hours a day for many years. They were both disabled, and eventually went to a nursing home. They eventually went to a nursing home; but Welfare saved money for those years by keeping them in their own home.

#### Federal Cuban Refugee Program - Page 411

Mr. Duarte stated this is a federal program to take care of the Cuban refugees that came to the United States. At one time Welfare administered the program; now it is a pass-through program to Clark County. All they do is pass the monies from the federal government down to the county level.

#### Indo-Chinese - Page 412

As of May 1, 1979, they are no longer in this program.

#### Work Incentive Program - Page 413

Mr. Duarte said this program is to try to make people more employable through on-the-job training. WIN has different types of training programs. The appropriation recommended is the same as it has been since 1972

#### Protective Services - Page 414

Mr. Duarte stated that it was agreed by Clark County that they take over certain aspects of these services. This was not recommended by the Governor.

Senator Gibson asked what the counties are spending on this now. Mr. Duarte said that in protective services along in Clark County and all of juvenile court services their budget is \$8 million.

#### Child Protection - Page 416

Mr. Duarte stated that Child Protection is for the 15 smaller



counties. It provides emergency foster care, day care, homemaking services and training. The Governor recommended \$49,000.

Title XX Day Care - Page 417

Mr. Duarte stated this program provides contracts for the day care help. This is 100 percent federally-funded. Mr. William Labadie said they were talking about probably putting that money back into the Title XX appropriation. It is in there, but separated out. Senator Lamb asked if they are going to ask the State to pick this program up.

Mr. Miller said no. He said the Title XX money is going to be there.

Purchase of Social Services - Page 404

Mr. Duarte stated this reflects the Governor's recommendation of only those dollars that are going to State agencies to provide social services. There is \$7,315,000 of federal money in this program. They consider themselves the fiscal agent and monitor of the program. They are in support of what the budget office recommends.

Senator Wilson asked how do they determine which service to fund. Mr. Miller said they leave that up to the Director in the Budget Office, and the Governor's Office to come back and tell them what they want to fund.

Mr. Barrett stated that in reviewing the budgets, if they qualify for the program, they utilize these federal funds in order to conserve the General Fund money. Senator Wilson asked if only those programs recommended qualify for Title XX money. Mr. Barrett replied yes. Senator Wilson wanted to see where they have exercised some discretion. Mr. Barrett replied that these are the levels of funding they are recommending. He continued that there is still more money here. What is included here is the maximum they could use in these agencies.

Senator Wilson stated that under Services for the Retarded there is no request made, nothing recommended for a whole series of services. Mr. Barrett stated that some of these items, such as Services for the Retarded, are for non-State agencies. Welfare will develop the remaining allocations from this budget to these non-State agencies. Dr. DiSibio will provide a list of the unallocated balance for Senator Wilson.

Testimony on Title XX - Page 404-405

Mrs. Margaret Purdue testified for Mr. Garth R. Winckler, Associate Director of United Way of Southern Nevada and Mrs. Barbara Brady, Director of Clark County Social Services. (See Attachments B and C). Senator Wilson asked for a list of local agencies referred to.

Senator Gibson asked how much unallocated Title XX there is. Dr. DiSibio stated that at present there is approximately \$589,000. Senator Gibson stated he couldn't follow the narrative; that it looks like \$7,600,000 from October 1. They are budgeting six million dollars this year and \$6.4 million for the next year. There is a gap. Senator Gibson asked if that money would be available for contracting private services. Dr. DiSibio stated that part of the money will be.

Dr. DiSibio stated that essentially they have \$7.3 million to operate over the next fiscal year. Why the committee sees blanks in the private and public sector with regard to contracts for Title XX monies, is because they accept applications through March 16 for those funds. After reviewing those, they make decisions with regard to who gets how much. They cannot make those decisions at this time until they get those applications in, review them, and make those allocations.

Senator Gibson commented that the one that is more glaring is the



transfer to community training centers where it goes from \$250,000 to nearly \$675,000. Senator Gibson wanted to know is this is an area where they have added federal programs in the last five years. Mr. Barrett said this is mental retardation community training centers.

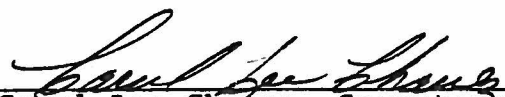
Dr. DiSibio stated that the primary problem is two-fold. One is where the federal ceiling has changed over the years. Previously, they didn't have a ceiling. Whoever was eligible, they could fund. Now they have a ceiling and if the state programs are continued and an amount is added for inflation, they are just about at that ceiling. The most important factor for this year, as opposed to any other year, was the the last pages of the Welfare proposal. Welfare proposed in effect that they would take over the protective and child abuse program in Clark County which would have cost the State some \$1 million to take over. That option was presented to the Governor and it was recommended that the continuation of Clark County handling the situation. If they could provide them additional Title XX dollars, Clark County could handle it the next biennium, until they got a handle on it.

Dr. DiSibio stated that they made the decision to use Title XX dollars to help Clark County provide for the neglected, abused, youngsters; as a result of that, if you subtract that from the monies which were available for private and outside concerns, therein lies the difference. It is not so much that much more was pumped into the state, but a large part of that was consumed by other programs.

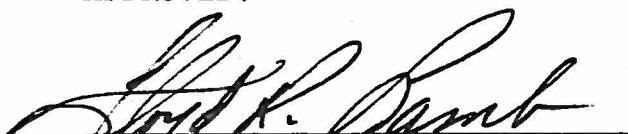
Mrs. Jean Dunn, representing the Economic Opportunity Board of Clark County, stated that they receive Title XX money for handicapped and senior citizen transportation, day care and some family planning services. These services are provided at no cost to the State than the administrative cost. When you talk about keeping senior citizens in the home, you need transportation to doctors. You need transportation for the handicapped. These support services that the community programs give, are a large spectrum of services that the state would have to provide for a larger amount of money.

Meeting adjourned at 10:35 a.m.

Respectfully submitted,

  
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Carol Lee Chavez, Secretary

APPROVED:

  
\_\_\_\_\_  
Floyd R. Lamb, Chairman



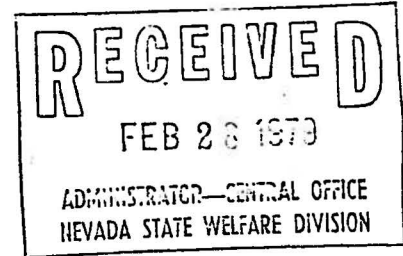
3/1/79

STATE OF NEVADA  
OFFICE OF THE ATTORNEY GENERAL  
DEPARTMENT OF HUMAN RESOURCES  
251 Jeanell Drive, Capitol Complex  
Carson City, Nevada 89710  
885-5035

RICHARD H. BRYAN  
ATTORNEY GENERAL

MICHAEL L. MELNER  
SUPERVISING DEPUTY ATTORNEY GENERAL  
DEPARTMENT OF HUMAN RESOURCES

February 28, 1979



Ace Martelle  
Deputy Administrator for  
Assistance Payments  
Welfare Division  
251 Jeanell Drive  
Carson City, Nevada 89710

MAR 1 1070

Dear Mr. Martelle:

You have asked whether federal law mandates Nevada, or any other state, to administer a food stamp program. I have reviewed the Food Stamp Act of 1977 (Title XIII of Public Law 95-113, 91 Stat. 958). I can find no language in the act which mandates the states to operate a food stamp program. To the contrary, the act talks in terms of "participating states" and sets up criteria for that participation. Section 4(a) of the act authorizes the Secretary of Agriculture "to formulate and administer a food stamp program under which, at the request of the state agency, eligible households within the state shall be provided an opportunity to obtain a more nutritious diet through the issuance to them of an allotment" (emphasis added).

If a state agency, which for the purposes of the act is defined as the agency which administers federally aided public assistance programs within the state, does not request participation, I can find no language in the statute which requires that participation. I would note that the act also recognizes in Section 4(b) that there may be jurisdictions in which food stamp programs do not exist.

Section 11(a) provides a series of obligations for the state agency but at all times talks about "participating" states. The only other reference to the state operating programs is found in Section 11(i) which requires single interviews for all food stamp programs if the individual eligible for food stamps is also applying for certain other kinds of federally funded aid. This requirement, however, only seems to run if the state chooses to operate a food stamp program.

While I find no language requiring a food stamp program, I would be concerned about the state's liability to recipient groups if such a program were cancelled. It has been and continues to be the posture of recipient groups that if an individual is eligible, he has a vested property right in food stamps.



Ace Martelle  
February 28, 1979  
Page 2

Since the act in Section 2, Declaration of Policy, talks about raising levels of nutrition among low income households on a national level, and since the act appropriates for national services, the failure of the State of Nevada to adopt and use a food stamp program would affect congressionally created property rights. Certain citizens of the State of Nevada would therefore be denied rights created under federal law merely because of their residence in the state. If the program had never been adopted, there would be liability. In any event, the fact that the program has been adopted would seem to further vest rights in the recipients.

I believe that the act provides broad powers to the Secretary of Agriculture to operate a program. Whether that authority could be used to force the state to participate since the state has already participated and vested certain kinds of rights in recipients is a complicated matter. I can only presume that cancelling the program will put the state in the posture of being a defendant in some kind of litigation. Cancelling the program could be viewed as depriving certain recipients of equal protection of law.

Sincerely,

RICHARD H. BRYAN  
ATTORNEY GENERAL

By: 

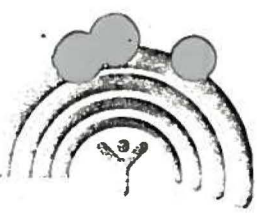
MICHAEL L. MELNER  
SUPERVISING DEPUTY ATTORNEY GENERAL

MLM:sc

EXHIBIT A

843





**United Way**  
of Southern Nevada, Inc.  
2941 INDUSTRIAL RD.

FUND RAISING  
ALLOCATIONS  
PUBLIC INFORMATION  
COMMUNITY PLANNING

T E S T I M O N Y

DATE: March 1, 1979

PRESENTED TO: Nevada State Senate  
Finance Committee

SUBJECT: Purchase of Services Budget, Welfare Division,  
Executive Budget, Pages 404 and 405.

PRESENTOR: Garth R. Winckler, Associate Executive Director  
Representing the Board of Directors,  
United Way of Southern Nevada

Mr. Chairman and Committee Members:

The United Way of Southern Nevada is asking the State Legislature to restore Title XX funding for purchase of Social Services from the local governmental and non-profit sectors. The budget now before you recommends that no direct funding contracts be written with private non-profit and local governmental providers. While, we recognize that the Welfare Division would be free to utilize uncommitted Title XX funds to purchase services, we feel that this budget instructs that federal social service funds be used for state agencies first irrespective of what service needs may exist in Nevada.

We commend the State of Nevada and particularly the Welfare Division for developing expanded social services programs over the past few years. When Congress initiated Title XX in 1975, they mandated states to develop formal social service plans to meet service needs. Services were not restricted to "welfare recipients" and the intent was that state governmental, local governmental, and private non-profit agencies should all be used to provide a balanced program aimed at meeting a cross section of social service needs.

While Nevada's initial efforts with Title XX have followed Congressional intent, the current plan as set forth in this budget does not. By cutting out the private non-profit and local governmental sectors, Title XX now becomes a "state-agency" program wherein the state bureaucracy grows and direct services to people suffer. Services totaling in excess of \$1.5 million dollars scheduled to be terminated include: services to the mentally retarded; transportation for senior citizens; home delivered meals and homemaking services for homebound individuals; and many others. The loss of these services would be devastating to

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WARD W. WENBERT, President; CHARLOTTE HILL, Sr. Vice President & Planning Council Chairman; HARRY WALD, Campaign Chairman;  
JAMES CASHMAN III, Allocations Committee Chairman; HERMAN SALTZMAN, Executive Director



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EXHIBIT B



thousands of individuals in both Northern and Southern Nevada.

The United Way of Southern Nevada is in the unique position of being both a provider and funder of services under Title XX. Approximately \$70,000 of the \$1.7 million raised by our organization in 1978 to support social services was donated to the State of Nevada as seed money to attract an additional \$210,000 of Title XX funds for contracting with non-profit organizations. We are very pleased at this relationship and would like to see our participation continue and grow. Unfortunately, neither the agency request or the governor's recommendations will provide us with that opportunity.

What makes this situation worse, is that most services scheduled to be terminated are currently being provided at no cost to the State of Nevada. Our estimates are that third-party, county, and provider match monies account for more than \$1 million of social services annually. The only state costs for these services are for program administration. (The United Way is operating under a administrative support services contract which helps reduce state administrative costs.)

We feel that contracting for services to qualified local providers is a much more fiscally sound process than state agency growth because:

- As exemplified above, many social services can be provided without any state appropriations.
- Non-profit agencies (which are supported by volunteers, pay lower salaries, and have lower overhead costs) generally provide services at a lower cost rate. For example Henderson Mental Health charges Title XX \$45 per hour of service while Family Counseling Services, Inc. charges Title XX \$30 per hour. (Please note that the governor has recommended 5 increased social work positions for Henderson Mental Health while Family Counseling would be eliminated.)
- Some services scheduled for cutback cannot be provided directly by state agencies - Senior Transportation, Home Delivered Meals, Sheltered Employment, Day Care, and Family Planning Service to name some. Whenever sub-contracts are used to provide these services an added layer of bureaucracy and management costs is created.
- The action of allocating all Title XX funds outside of the planning process prescribed in the regulations could create class action suits in behalf of affected population groups which could severely affect all Title XX funding.
- Should the Title XX funding level ever be cut back, it is far easier and cheaper to terminate a contract for services than it is to terminate public employees. One only needs to look at the current CETA program to understand what happens when agencies become too dependent on federal funding.

The legislature is faced with an opportunity to chart the future course for social service programs. We urge you to restore the funding being cut from the non-profit and local governmental sectors and to clearly set aside funds to be used for direct contracts with qualified service providers. In so far as Title XX funds remain available, we urge you to instruct the Welfare Division to develop contracts with non-profit and local governmental units where the need is clear and the provider is capable.

GRW: jm



3/10  
Clark County Social Service

BRUCE W. SPAULDING  
County Manager

651 SHADOW LANE  
LAS VEGAS, NEVADA 89106  
(702) 386-4270

BARBARA J. BRADY  
Social Service Director

TO: Senate Finance Committee  
FROM: Barbara J. Brady, Social Service Director  
RE: Title XX Funds for Non-State Agencies

The private sector dealing in social services has always been a needed part of our community. The community supports many of the private agencies totally so that we know the citizens of the community also see the private agencies as a need and worthy of their money. United Way, in their last campaign, exceeded their goal which indicates their acceptance by the people.

However, sometimes additional funds are needed to run the programs within the community and Title XX has been able to help that need. To withdraw it would certainly hurt many individuals and put more of a burden back on the public agencies, that is, County and State agencies. We all know there are not funds in the public sector to cover all the programs that are desperately needed and we would hope that you, as legislators, would be sure that there is continuance of Title XX funds allocated to private agencies.

EXHIBIT C

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MEMORANDUM

TO: SENATE FINANCE COMMITTEE

FROM: Ron Sparks, Fiscal Analyst  
Fiscal Analysis Division

SUBJECT: Senate Finance Budget Hearings Scheduled  
for March 1, 1979

WELFARE ADMINISTRATION, Page 378

The General Fund support for this program is up 13.4% with the total program increasing by 13%. There is a net reduction of 16.5 positions in this budget which is a result of eliminating 34.5 positions, transferring in 16 positions and adding two new positions. The total operating category is increased by 13% with communications expense increasing by 20.2%, other contract services by 20.5%, utilities by 54%, maintenance of buildings and grounds by 19% and other government services by 18.6%. Note that in the equipment category there is \$60,280 being recommended for 11 new automobiles. The agency should explain the need for these automobiles, particularly in light of the reduction in staff. The agency should also explain the increase in data processing, which is recommended at \$207,332 for next year which is a 63.2% increase over last fiscal year.

AID TO DEPENDENT CHILDREN, Page 386

Currently the average grant in the ADC program is \$63. The budget recommended for next fiscal year increases the grant to \$68 which is an 8% increase. An additional 8% increase is recommended for the following fiscal year

bringing the average grant to \$73.50. The budget approved by the last Legislature provided for a projected case load of 14,500, and the average case load for last fiscal year was 10,537. The case load being projected for the next biennium is 10,500 recipients per month.

ASSISTANCE TO THE AGED AND BLIND, Page 388

This budget is increasing by 22.3%, which is a combination of a projected increased case load and the raising of the state supplements by approximately 8% per year. The projected average case load for the aged for next fiscal year is 3,600, and for the 1981 fiscal year it is 3,800. The state supplement for aged singles goes from \$40.05 currently to \$43.25 next year and to \$46.70 the following year. For aged couples, the state supplement will go from \$77.04 this year to \$83.20 next year and \$89.85 the following year.

The Adult Group Care clients are projected at 220 for each of the next two fiscal years and they are budgeted to receive an additional \$10 personal allowance. The Adult Group Care Facility is budgeted to receive an 8% increase for each of the next two years.

For the blind, a case load of 450 is projected with the state supplement going from \$102.55 to \$110.75 next year and to \$119.60 the following year. Additionally, an allowance is made for client income for the next biennium and, therefore, the calculated benefits are reduced by \$220,000 for each year for this anticipated income.

CHILD WELFARE, Page 390

The General Fund support in this program is increased by 75.6% and is due primarily to the state picking up the county share for the non-aid to dependent children foster

EXHIBIT 2

818



cases. The total program is increasing by 47%.

The narrative contains a detailed explanation of the programs in this budget, along with tables indicating the current and projected case loads and their costs for the next biennium.

MEDICAL CARE UNIT, Page 394

The General Fund support in this budget is being increased by 113% with the total program increasing by 31%. Part of the reason for the General Fund increase is the recommendation that the state pick up the county 11% ad valorem tax which is currently dedicated as a source of support for this program.

Five positions are being transferred out of this budget into the Welfare Administration Budget, while two new positions are being added. Out-of-state travel is increased by 41%, in-state by 16.6% and the operating category goes up by 7%.

The fiscal agent charge is increasing by 35% due primarily to an increase in the cost per claim from \$1.13 currently to \$1.30 next year and \$1.40 the following year. The agency should provide an explanation of the substantial increase being recommended in the data processing category (from \$93,933 in 1978 to \$222,057 for next year).

The category for medical payments is being increased 73%. The administration is estimating a 15% per year increase in medical costs for aged, blind and disabled, and a 10% increase for others. Also, this budget contains an increase in the payments to the Sierra Developmental Center and the Desert Developmental Center. These two mental retardation budgets are scheduled to be heard next week by the committee, however, I understand that there probably can be more of an increase in Title XIX

support for these programs than is being budgeted. If this is the case, then the General Fund support in those two budgets can be reduced and the increase required in this budget would be on a 50/50 matching basis.

FOOD STAMP PROGRAM, Page 399

Due to a decreased case load, 19 positions are being eliminated. They are also transferring 6 positions to the Welfare Administration Budget, therefore, there is a total position reduction in this budget of 25 positions. General Fund support for the program is up 4% with the total program increasing by 4%. The operating category increases by 12% with a 20% increase in communications expense, a 43.6% increase in printing, a 22% increase in utilities, a 281% increase in maintenance of buildings and grounds and a 140% increase in buildings and grounds improvements.

Transaction costs are increasing by 28% from \$1.10 per transaction currently to \$1.25 per transaction next year and to \$1.35 the following year.

PURCHASE OF SOCIAL SERVICES, Page 404

This budget contains all of the Federal Title XX money (social services) which goes to other programs throughout the state. The match required for this Title XX money is contained in the other budgets. The narrative indicates that additional federal monies may be made available to non-state providers and it should be determined how much this might be during the next biennium.

Last fiscal year \$158,000 in additional federal money was brought into this program beyond the amount authorized by the Legislature and currently there is \$915,000 more work programmed than authorized by the last Legislature.

EXHIBIT 11

840

I understand that the Department is considering redistributing these Title XX funds and perhaps a complete new list will be provided showing this redistribution.

CHILD SUPPORT ENFORCEMENT PROGRAM, Page 406

Last fiscal year the agency reverted \$35,407 of the \$50,000 General Fund appropriation. Additionally, \$56,347 was deposited into the General Fund from this budget. The \$50,000 General Fund appropriation and the state's share of the collections provide the 25% non-federal match required for the program. The committee might explore whether the state's share of the collection could provide the entire 25% match and thereby eliminate the General Funds.

Five positions are being transferred out of this budget into the Welfare Division. Ten positions, however, have been added to this budget since the 1977 Legislature.

The operating category is increased by 31% with other building rent going up 38%, building maintenance 99% and other government services 135%.

In the special categories, the data processing is increasing substantially and is explained, along with the other special categories, in the narrative.

HOME MAKING SERVICES, Page 410

General Fund support for this program is up 30.5% with the total program increasing 43%. This increase is due to providing more service hours plus a higher rate per hour.

FEDERAL CUBAN REFUGEE, Page 411

INDO-CHINESE, Page 412

Both of these programs are 100% federally funded programs and are decreasing in the next biennium. The Federal Cuban Refugee Program decreases by 21% and the Indo-Chinese Program by 58%.