

MEMBERS PRESENT: Chairman Bremner  
 Vice Chairman Hickey  
 Mr. Bergevin  
 Mr. Brady  
 Mr. Coulter  
 Mr. Glover  
 Mrs. Hayes  
 Mr. Horn  
 Mr. Marvel  
 Mr. Robinson  
 Mr. Vergiels  
 Mrs. Westall

MEMBERS ABSENT: Mr. Rhoads (excused)

ALSO PRESENT: Bill Bible, Fiscal Analyst  
 Judy Matteucci, Deputy Fiscal Analyst  
 Mike Alastuey, Deputy Budget Director  
 Mr. William Swackhamer, Secretary of State  
 Mr. Dehl, Civil Defense Coordinator  
 Merlin Anderson, Administrator of Post Secondary  
 Education  
 Minor Kelso, Welfare Division  
 George Miller, Welfare Division  
 John Duarte, Welfare Division  
 Ralph DiSibio, Welfare Division

Chairman Bremner called the meeting to order at 8:00 a.m. A motion was made by Mr. Vergiels, seconded by Mr. Hickey and unanimously approved by the committee that the minutes of January 20, 21, and 22 be approved.

WELFARE DIVISION  
Welfare Administration

Mr. John Duarte, Chief of Management Services of the Welfare Division, stated that the budgets consist of 13 areas, the first of which is the Welfare Administration budget, which he stated is cost allocated between the different programs and supplemented by Federal funds. He stated that the Child Welfare Program is 43½% Federal funds at this time, the Title XIX Program is 50% Federal funds, the WIN Program is 90% Federal funds, the ADC Program is 50% Federal funds, Social Services is 75% Federal funds, Department of Agriculture is 50% Federal funds, and the Child Support Enforcement Program is 75% Federal funds. He stated that the Welfare Administration Program reflects a 34 position reduction over the biennium with 15 transfers from Welfare Administration to the medical care unit budget and two positions transferred to the Attorney General's office. He added that overall, the revenue anticipated is 65% Federal and 35% state.

Chairman Bremner asked if the positions being cut are all vacant at this time. Mr. Duarte stated that some are vacant. In addition Chairman Bremner asked how an increase in case loads could be met through a decrease in eligibility workers. Mr. Duarte stated that with the reduction in case load the second year of the biennium and by applying the budget formula, he felt that quality work could be maintained. Dr. DiSibio added that there exists a disagreement between the projections of the Budget Office and the Welfare Division as to the state of the general economy and its effect on the projected case load; the budget reflecting the attitudes of the Budget Division and not those of the Welfare Division.

Chairman Bremner asked if the number of ineligibles on the rolls will go up and Dr. DiSibio stated that if the number of cases increases instead of decreasing as projected by the Budget Division, then the national ranking will be lost. Chairman

Bremner stated that this may not be a cost effective measure and perhaps the reductions should be made in other areas. Mr. Alastuey added that the Aid to Dependent Children (ADC) case load will stabilize next year at 13,750 and further reduce in the second year of the biennium to 12,750. He pointed out that this is caused by maintaining a stable payment level. Mr. George Miller, Welfare Director, commented that economic indications existing presently do not reflect a decrease in the upcoming case load, adding that during the past year when there was a shortage of eligibility workers, the error rate went up to 3.9 percent as opposed to .6 percent when the department was properly staffed.

In response to a question by Mr. Hickey, Mr. Alastuey stated that the difference between the budgeted ADC funds and the need for the supplemental appropriation resulted in the unexpected growth in the case load from 10,000 as projected to the current 13,000. Mr. Hickey added that in the light of the projections coming from Washington, D.C., it didn't seem logical to be predicting a decrease in the number of recipients.

Mr. Glover asked how much the error rate reflected in dollar amounts. Mr. Ace Martelle, Deputy Welfare Director, responded that if the error rate goes up, and incentive payment from the Federal Government for a low error rate will be lost, stating further that recently \$41,000 was received from the Federal Government for a low error rate. He further added that if the rate exceeds 4 percent then the state is penalized by Federal funds being withheld. He said that a 5% error rate would cost \$1,000,000 to the State of Nevada in ADC grants and medical costs so it would follow that 3.9% would account for a \$750,000 loss, reflecting improper payments to people who should not have been in the program. He stated that one-half of the funds lost would be state funds. Mr. Glover asked what the savings would be for eliminating the positions. Mr. Martelle stated that he would provide the figures to the committee, stating that it is substantially less. He added that when a 3.9 or 4.0% error rate begins to show up, it takes 18 to 36 months to clean up the problem.

Mr. Glover asked if the staff was functioning at its peak efficiency or if more productivity could be realized from the existing staff to keep the error rate down. Mr. Miller stated that most eligibility workers are presently working over what they should be required to do and as a result investigation services are cut back. He added that by cutting investigation, more time is provided to the workers to process applications, and thus the frequency of errors increases.

Mr. Hickey asked if the Governor's Task Force recommendations to revise staff responsibilities would make a difference in the funds requested in various areas, and are these procedures being done. Dr. DiSibio stated that this would have had an effect but was not adopted by the Governor's Budget. Mr. Hickey asked if a conflict existed with the recommendations regarding Federal regulations. Mr. Miller stated that all procedures are being done that are possible in making the clients responsible, if they do not cooperate, they are stricken from the rolls.

Chairman Bremner stated that the Task Force report said that eligibility workers spend a large part of their time completing forms for prospective recipients when they should be in the field investigating the applications.

Mr. Horn asked that an organizational chart be made available to the committee showing all positions and those which are being recommended to be cut. He further stated that perhaps the people who work directly with the clients should not be

reduced, but that reductions should come in management staff. Mr. Miller commented that there are certain managerial areas that just cannot be cut, but that most of their cuts came in the clerical areas, and the higher grades than in the eligibility workers. Mr. Duarte commented that the eligibility workers are being cut on a formula basis and bear no relationship to the other cuts that are being made in this budget.

Mr. Duarte addressed the requested appropriation for overtime pay, stating that this is to pay for 24 hour coverage in the 15 rural counties for emergency care in cases of neglected and abused children.

He commented that the out-of-state travel shown in the line item is only the Federal matching share with state money being reflected in the Governor's out-of-state travel budget. He added that in-state-travel is calculated on a per position basis with the projected inflationary factors of 22% and 10% added over the biennium.

Mr. Duarte stated that the communications request has increased in order to expand the telephone system in Las Vegas. He stated that contractual services has increased to include a Title XX needs assessment of \$50,425 required by regulations that state agencies produce a needs assessment to develop a social service plan. He added that other contractual services will be sign language interpreters, language interpreters, and janitorial contracts in Fallon, Hawthorne, Yerington and Battle Mountain.

Mr. Duarte stated that the increase in the legal services line item reflects the cost of the two clerical positions being transferred from the salary category to the operating category. Mr. Glover asked what type of lawsuits have been filed against the department. Mr. Miller stated that there have been a lot of lawsuits and the frequency is continually rising, especially in the juvenile court and child abuse areas. He added that the quality of representation provided by the Attorney General's office has been superior and that in most cases the department prevails in the outcome of the lawsuit.

Mr. Marvel asked what type of lawsuits are usually filed. Mr. Miller stated that the department gets sued by recipients, providers, hospitals, etc.

Mr. Vergiels asked if reimbursement is ever sought from those who are overcompensated by welfare. Mr. Martelle stated that criminal charges are filed and where the department obtains judgment against the defendant, restitution is ordered and is collected through probation and parole.

Mr. Duarte addressed the other building rent line item and stated that the decrease is due to the moving of positions from Welfare Administration to Title XIX.

He additionally stated that the increase in the equipment budget is to replace equipment in the Las Vegas office. Mr. Vergiels asked what this will encompass in light of the \$258,000 request. Mr. Duarte stated that these funds will be spent to replace typewriters and dictation equipment and other equipment that is over 10 years old.

Mr. Robinson asked what the \$10,000 portion of the equipment budget is for. Mr. Duarte stated that the \$10,000 is a reserve to cover tab filing equipment, typewriters, and calculators that go out and must be replaced.

Mr. Duarte added that the data processing allocation was worked out by the CDP Division and it will provide for expansion to an on-line system for the income maintenance program and the social services program.

Mr. Robinson asked for additional information on the training allocation requested. Mr. Duarte stated that this is matched by 75% Federal funds.

Mr. Glover asked if any anticipated reductions in Federal funds were proposed and what extraneous regulations will be disposed of. Mr. Miller stated that many of the Federal programs were being patterned after Nevada policies, stressing getting rid of ineligibles and doing away with extraneous regulations that just cause excessive paperwork but produce no results. He added that he did not feel that programs will be reduced, but will be put to better and more effective use; for example, implementation of the in-line audit system to spot check the programs to see that funds are being expended correctly. Mr. Minor Kelso, Chief of Medical Case Services, stated that the recipient's right to select any provider of services in the community will probably be a regulation that will be revised to provide a select group of providers for the recipients. He added that the co-payment program will probably be expanded to include other services. Mr. Miller added that the food stamp program will be subject to many of the revisions proposed at the Federal level.

Mr. Brady asked how the error rate is determined. Mrs. Marian Hurst, Chief of Eligibility and Payments, stated that the Federal Government comes in, pulls a random sample of the cases, reviews the cases, determines if the recipients are correctly on the rolls and are correctly paid, and then determines the error rate in that percent of sampling and applies this rate to the entire case load. Mr. Miller added that the error rate in Nevada is the lowest in the nation and has been for years; further adding that this is due to the fact that the efforts of the state were implemented many years ago and have been pursued successfully since that time.

#### Food Stamp Program

Mr. Duarte addressed the Food Stamp Budget and stated that it is to provide food stamps for families on limited incomes. He added that for November 1980 the case load was 15,889 and for December 1980 it was 16,991.

Mr. Vergiels asked what effect the MGM fire and the influx of aliens has had on ADC and food stamps. Mr. Martelle stated that the MGM fire has had a great impact on the food stamp program but not a significant effect on the ADC program. He stated that the impact on the ADC program will be longer in coming. He added there were 600 immediate applications from the MGM individuals of which approximately 200 were eligible. Employment Security processed 3,000 individuals, and all but 108 were eligible for UI benefits immediately. Some, however, were eligible for ADC and food stamps. He added that in Las Vegas alone, 421 refugee cases are pending in one stage or another and will be eligible for and may now or will be receiving welfare benefits of one type or another in the near future. He added that approximately 80% of the 4,640 new cases from January, 1980 through December 30, 1980 were newly arrived individuals from out-of-state.

Mr. Robinson asked if there was any discrimination against the out-of-state people as far as eligibility and was there any reciprocity from their home states. Mr. Duarte stated that there

is no reciprocity; however, their eligibility is checked and verified with cross matches being run in El Dorado County, Sacramento County and Orange County to make sure that new applicants are not receiving benefits from both California and Nevada. He further said that this will be done in connection with the Welfare Fraud Association. Mr. Duarte added that there are 40,000 plus individuals participating in the food stamp program at the present time. Mr. Robinson asked for further information so that he could correlate the number of cases investigated and the number of cases actually receiving food stamps.

Mr. Hickey questioned the projected figures for the biennium of new food stamp users stating that for the second year of the biennium a decrease is projected. Mr. Alastuey stated that the Budget Division anticipates that the growth will level off and that the projected decreases will be accurate.

Mr. Bergevin asked what effect the objective of the Department of Agriculture to make severe cuts in the food stamp program would have on the case load in Nevada. Mr. Miller stated that this was the intent of Mr. Block; however, there appears to be a current shift in the plan with influence from Senator Dole and Senator Baker who are strong advocates of the food stamp program. In addition Mr. Bergevin asked what percentage of a person's salary is recovered when he is unemployed and takes advantage of the various welfare programs. Mr. Miller stated that in some states it would be quite high because the basic grant is high; however, in Nevada it is not profitable to be on welfare because the basic grant is relatively low.

Chairman Bremner pointed out that with 40,000 participating in the food stamp program, this accounts for 5% of the state's population. Mr. Duarte added that Nevada is the fifth or sixth lowest in the nation as far as percentage of population.

Mr. Duarte stated that the department has abolished several positions, i.e., Eligibility Certification Specialist, Certification Specialist Trainee, and Administrative Aids. However, he added that there is a request for a new position, Eligibility Certification Supervisor, to be added for one year.

He further stated that the out-of-state travel reflects only the Federal portion, the state's share being in the Governor's Out-of-state Travel Budget. He added that the increases in program dollars on other line items from fiscal year 1980 to fiscal year 1982 are due to the projections being made on a base of 106 positions in 1980 and 169 positions in 1982. The most significant item in this area is other building rental where 5,000 square feet is being added to the Las Vegas District Office. Mr. Duarte stated that he should have mentioned in the Welfare Administration Budget that there is expansion planned for the Henderson, Ely and Winnemucca District Offices.

Mr. Duarte noted that there is a decrease in the transaction costs under operating expense due to the fact that a direct mail system is now being used resulting in a \$400,000 savings over the next biennium.

Chairman Bremner asked for an explanation of the large increase in the communication expense. Mr. Duarte stated that this also reflects the 106 positions in the fiscal year 1980 and 169 recommended positions in the fiscal year 1982.

Child Welfare  
Supplemental Appropriation Request

Mr. Duarte stated that the supplemental request is for \$636,454 state dollars, in addition to that there would be \$179,075 in Federal matching funds, for a total of \$815,529. The primary need for the supplemental is to pay for costs incurred by the increase in the number of children being served in the Child Welfare Budget.

Mr. Duarte addressed the Child Welfare Budget and stated that it is broken down into six components, Subsidized Adoption Program, Single Parent Program, Transportation, Foster Care, Special Contract Care and Non-Title XIX Medical. He stated that in the Subsidized Adoption Program, the state makes a payment to the adoptive home to place the children in the home, being a 100% state funded category. He went on to state that the Single Parent Program is for mothers who plan to relinquish their children for adoption, where the care is paid for until the child is born, with an estimate of three people per month in this category receiving these benefits. He explained that the Transportation category provides transport for the children to the foster homes or for adoption placement outside of the state. He stated that the Foster Care payments are expended for family care and/or institutional care to pay for services that are eligible for Title XX funds for the first six months that they are in the program. He stated that the Family Care funds under the Foster Care category are 100% state funds.

Mr. Duarte explained that the Non-Title XIX Medical category is a new category for this biennium providing services to children who are not qualified to receive Title XIX money.

Mrs. Westall asked if any portion of the single parents program provided aid for mothers who decided to keep their children. Mrs. Gloria Handley, Program Services, stated that if the mother decided to keep the child then she would receive aid from the ADC program, further adding that if the girl is subsidized in the single parent program, which is 100% state funded, and then decided to keep her child, she would switch to the ADC rolls, which is 50% state funded. Mr. Miller added that reimbursement would not be sought from the girl for the funds expended on her behalf through the single parent program, stating that this situation does not happen often. Mrs. Westall further inquired if the adoptive parents were required to pay enough for the placement to reimburse the state. Mr. Miller stated that there is no charge to the adoptive parents.

Aid to Dependent Children

Mr. Duarte stated that this budget provides for aid to dependent children in their own homes with eligibility being based on financial need and focusing on children who are deprived of parental care or support by reason of death, absence or incapacity of a parent. He stated that in November of 1980 the number of recipients was 12,808 and in December the figure was 13,573 and in January of 1981 the number of recipients was 13,392.

Dr. DiSibio stated that not always does an increase in population account for an increase in case load adding that other factors impact this, as happened in 1977-78. He stated that this probably accounts for the reasoning behind the projections from the Budget Division and that they are probably considering other variables besides just general population growth. Chairman Bremner added that 1977-78 were boom years in Nevada, unemployment being almost non-existent in Northern Nevada as an example of a variable that effects the projections.

Mr. Hickey asked what other variables were considered in arriving at the current no increase projections. Mr. Alastuey stated that the primary factor effecting the projections is the fact that the payment level is recommended to remain stable rather than to advance with inflation. Mr. Miller added that there is no decrease that would drop the figures even if the population stays the same.

#### Assistance to the Aged and Blind

Mr. Duarte stated that these funds are the state supplemental security income program which is paid to aged and blind recipients through contract with the Bureau of Supplemental Security Income of the Social Security Administration. He stated that only minimal increases are requested in the program adding that charges from SSI to the state for administration of the program may increase slightly.

In response to a question by Chairman Bremner, Mr. Duarte stated that an aged couple may consist of one blind and one aged person, one disabled and one aged, one disabled and one blind, or any combination.

Mr. Robinson asked if the changes in the Services to the Blind into Rehabilitation will provide services to individuals on the aged programs also. Dr. DiSibio stated that in some cases this would happen and there will be a merging of Services to the Blind into the Vocational Rehabilitation program with no reduction in services, but there will be a reduction in administration costs. He added that five positions will either be cut or transferred to the other department.

In response to a question by Mrs. Westall, Dr. DiSibio stated that the purpose of the transfer of the department is to conserve on costs and save in excess of \$100,000.

#### Purchase of Social Services

Mr. Duarte stated that this budget reflects the Title XX funding coming into the state which has a ceiling placed on it by the Federal Government and requires each state, through designated agencies, to publish an annual comprehensive plan of how social service money is going to be distributed within that state. He added that the state must put up 25% of the funds with the Federal Government putting up 75%. He stated that the funds are transferred into other budgets and appear as revenue sources in those budgets. Dr. DiSibio stated that the overall purpose of the agency is to fund state agencies with the Title XX funds and if there are sufficient funds, to allocate some funds to private agencies who provide services to income eligible recipients.

Dr. Robinson asked who prepared the comprehensive plan and who actually provides the services for producing this plan. Mr. Duarte stated that the actual work is done in the Welfare Administration Office and the cost shows up in that budget.

Mrs. Westall asked who would be eligible under Title XX money that are not eligible under other programs. Dr. DiSibio stated that the income eligible people are recipients of Title XX funds, stating further that half of the people who are income eligible are recipients of Title XX funds. Mr. Duarte added that Title XX funds are spent for services outside the scope of ADC money, thus paying for people to do things for recipients, such as homemaking services.

Mr. Duarte stated that senior transport should have appeared in the aging category and should be eliminated from the total at the bottom of page 576.

Child Support Program

Mr. Duarte stated that the Child Support Program was established to locate absent parents and secure support for children and is funded at 75% Federal and 25% state; however, General Fund monies are not required in this budget in as much as it is a self sustaining budget. He added that this budget reflects a request for 8 new positions. Mr. Martelle added that a total of \$5,211,000 was collected from absent parents during the last biennium, which for the fiscal year 1980 allowed a 37% profit return to the State of Nevada for every state dollar expended. He added that 14.7 cases per month are closed from the ADC program through securing adequate support monies from the absent parent, and added that a substantial savings is realized in keeping individuals off the ADC program who would, if no support was collected from absent parents, be eligible for ADC rolls.

Mr. Martelle stated that 51% of the ADC cases are paternity cases and in some cases when neither parent has income and is able to support the child, the agency looks to the responsible parent for other benefits, such as veterans benefits. He added that even though the parent may be unemployed, proceedings are initiated to obtain a judgment anyway, because when he becomes gainfully employed, the agency will, through wage attachments, etc., collect the arrearages that have accrued over the time the parent was unemployed and not paying support. He stated that arrearages can be collected as far back as six years.

Mr. Robinson asked what types of legislation had been passed to update the collection procedures for the agency. Mr. Martelle stated that in the recent past, very strong legislation has been passed allowing the collection of arrearages up to six years back, thus bringing Nevada laws into accord with Federal laws and regulations and effectively changing some Nevada laws dating back to 1923. Mr. Martelle added that the 8 new positions requested will be added gradually, each one becoming cost effective before more are added. Additionally he stated that when ADC collections drop, employees have to be cut from the program.

Mr. Martelle commented that the funds requested for in-state travel are expended for monitoring services, court travel, program coordination, management reviews, finance office travel, deputy attorney general travel, and supervisory staff meetings; which travel is required to be in compliance with Federal guidelines. He further added that there were audit exceptions on the lack of travel during the last biennium; thus, funds were not expended at a rate that they are contemplated to be expended in the upcoming biennium, which accounts for the large increase in this category. Mr. Martelle stated that he will provide a breakdown to the subcommittee on how it is anticipated the funds will be expended.

Mr. Duarte addressed the remainder of the budget, noting inflationary increases in communications, other contract services for equipment rental, and taxes and assessments. He further addressed the data processing requests, adding that the projected costs were worked out with Central Data Processing personnel. Chairman Bremner pointed out that the cost of the program is more for the second year of the biennium than it is for the first year. Mr. Duarte stated that he did not know the reason for this, adding that Central Data Processing supplied



the figures, and if the figures remain at this high level, that the program will not be cost effective and will be carefully examined before reimplementations. Mr. Martelle added that the entire program is run as a private business, that is if the programs do not bring in additional revenues and do not operate in a cost effective manner, then the program will be modified, reduced or eliminated. He added that the data processing program is intended to be cost effective, but if it is not, it too will be modified, reduced or eliminated. Chairman Bremner asked that the department be prepared to make ongoing status reports to the committee or the Interim Finance Committee on how the program is working if it is approved. Mr. Martelle stated that collection and profit projections will be provided as well as ongoing status reports.

#### Refugee Program

Mr. Duarte stated that based on the Refugee Act of 1980, this is the budget which is a consolidation of all refugee programs that existed previously, including the funds anticipated for the Cuban refugee program. He stated that these funds are to pass through to the counties and to pay for the state share of the medical costs on the recipients. He added that out-of-state travel was originally requested at \$4,000 but was reduced to \$1,000 which funds were needed to allow the department to attend quarterly meetings in San Francisco. Chairman Bremner asked how much would be enough to fund these trips, and Mr. Martelle stated that the original \$4,000 is a conservative estimate but would probably cover the expenses.

Chairman Bremner asked what the cost to the citizens of Nevada is for the program to aid refugees. Mr. Martelle stated that there are 98 recipients being served at this time, but he added that there are over 2,500 refugees in the state at this time, and he is not sure what the buildup will be on the service rolls over the future. He added that the program does not cost Nevada anything, however, these individuals would be a direct fiscal impact on the counties without the Federal dollars.

#### Federal Cuban Refugee Program

Mr. Duarte stated that this program has been consolidated with the refugee program budget.

#### Title XX Day Care

Mr. Duarte stated that this budget is a 100% Federal match and is part of the Title XX ceiling, allowing up to 8% of the Title XX moneys to be spent in the day care budget. He added that the program provides day care for children whose parents are away from the homes seeking employment or training. He stated that the budget requests funding for two positions, which are to be of a supervisory nature, to monitor the facilities and make sure they are providing proper services to the children. He stated that the in-state-travel is paid for by the Welfare Administration Budget.

#### Child Protection

Mr. Duarte stated that this is for child protection services in the rural counties of the State of Nevada to provide for emergency foster care, day care, child transportation, and homemaker services. The requested allocations reflect no significant increases. Mrs. Hayes asked what services are provided to Clark and Washoe Counties. Mr. Duarte stated that these two counties provide their own protective services and receive a direct Title XX grant.

### Homemaking Services

Mr. Duarte stated that this is a program to provide homemaking services for clients to remain in their own homes rather than be placed into facilities and other types of institutions. He stated that it is based on a cost per hour basis, reflecting a cost of \$6.49 for Fiscal 1982 and \$7.14 for fiscal 1983. He added that other requested allocations are minimal and reflect no substantial increases.

### Work Incentive Program

Mr. Duarte stated that this program is designed to allow applicants and recipients of the ADC program to get training in the private sector. He added that payment to employment security is the state's portion of the 90% match that is obtained from the Department of Labor for the actual placement and training of the individuals. He added that the Governor's recommendation is the same as it has been since 1972.

### Medical Care Unit

Chairman Bremner called the attention of the committee to the supplemental request on page A24 for the Welfare Division. Mr. Duarte stated that the medical care budget is requesting \$13,641,407 state dollars to be matched with Federal funds for a total of \$27,282,814. He added that these are needed to bring the accrual accounting in the Title XIX program up to what the expenditures are going to be for services rendered during fiscal years 1980 and 1981. He added that this reflects a 17.5% increase in the number of recipients that are being served by the Title XIX program and that these funds are necessary to pay for the bills that are being incurred by the Title XIX program at this time.

Chairman Bremner asked for an estimate on how much of the Federal funds would revert to the general fund at the end of the fiscal year. Mr. Duarte stated that this amount of money, through the developmental centers, will be in the \$5 and \$6 million range. Mr. Alastuey stated that he will assist the agency in working up a figure for the subcommittee on this matter.

Mr. Duarte stated that this is a program composed of Title XVIII (Medicare) and Title XIX (Medicaid) which is administered by the Federal Government. He stated that the Medicaid program is a 50-50 match program, with some exceptions, providing for 100% funding and other percentages. He added that there is a request for 15.2 new positions, along with the request for three new positions for the second year of the biennium, all in addition to the 15 positions transferring from the Welfare Administration Budget.

Mr. Hickey asked if all of the positions were filled at this time. Mr. Minor Kelso, Chief of Welfare Medical Services, stated that one position in Las Vegas was vacant but he thought that it had just been filled.

Chairman Bremner asked why the positions are needed in this budget at this time. Mr. Kelso stated that the positions are needed to streamline and make existing programs in the department more cost effective. Mr. Kelso addressed the committee with respect to the various positions being requested and their duties. Chairman Bremner requested that the details of each position being sought be presented to the subcommittee at a later date.

Mr. Duarte stated that the out-of-state travel reflects only the Federal portion of the funds requested, the state portion being carried in the Governor's Budget. He stated that the in-state travel portion is doubled, reflecting the increase in the number of positions. He further added that the other budget categories reflecting large increases are based upon the increased number of personnel. He stated that a new item, provider education, if funded, will provide seminars and workshops for the providers. Dr. DiSibio addressed the large increases in the programs, stating that the system itself is a massive and almost uncontrollable maze of procedures. Chairman Bremner stated that some evaluations should be made in the eligibility standards of the program, to see if the state can get a handle on the system and regulate carefully the funds that flow through this agency. Dr. DiSibio stated that perhaps a joint resolution to Congress may resolve some of the eligibility problems.

Mr. Bergevin asked why these recipients in the ADC program have to go to the doctor 10 times per year, indicating that this is probably about three times the average for a normal child. Mr. Alastuey stated that the accurate numbers will be provided to the committee to correctly evaluate how many medical visits per family are accounted for in a 12 month period of time. Dr. DiSibio stated that recipients are heavy users of the medical services. Mr. Miller stated that the quality of medical care that is rendered through this program is probably better than any that a private citizen can obtain on any other insurance program that is available.

Mr. Robinson asked if any funds reverted on the supplemental appropriation on A24 will have to be repaid to the Federal Government. Dr. DiSibio stated that they would be reimbursed in the proportion that they were received.

#### SECRETARY OF STATE

Chairman Bremner introduced Mr. William Swackhamer, Secretary of State, who addressed the proposed budget, stating that in fiscal 1980 the office took in \$2,449,000 and had spent approximately \$507,000. He added that it is anticipated that \$4,000,000 will be collected during the next biennium. He further added that the first year of the biennium reflects an increase of \$113,000 which is due to increases in items over which the office has no control, such as communications, utilities, printing, and insurance. He indicated that there should be an increase in the salary of the corporate filing coordinator, further adding that the responsibilities of the position are such that it warrants the increase. He commented that there is a significant decline in the state owned building rent in the second year of the biennium based on the formule sent by the Budget Division.

Mr. Alastuey commented that the building rent in 79-80 reflected the occupancy of some space outside the renovated capitol which is no longer included in the budget.

Mr. Glover asked what the filing fee is for non-profit corporations and how much time does it take to process a non-profit corporation. Mr. Swackhamer stated that in most instances there is no charge at all and in one instance there is a \$1.00 charge, and the processing takes as long as any other corporation. Mr. Glover commented that consideration should be given to raising the filing fees for non-profit corporations.

Chairman Bremner asked what the average operational cost is for processing the paperwork on a non-profit corporation. Mr. Swackhamer stated that it would probably run between \$12 and \$14. Chairman Bremner further inquired what the in-state-travel funds were expended for. Mr. Swackhamer stated that the Securities Division is required to investigate complaints and much of the funds are expended on travel involved in these investigations; in addition he added that there is some travel involved in elections.

Chairman Bremner asked if unclassifying the corporate filing coordinator's position would help increase the salary. Mr. Swackhamer stated that the individual who is presently filling the position likes the security of the position offered by the classified status, but stated further that he would explore this alternative.

Mr. Hickey asked what the out-of-state travel funds are expended for. Mr. Swackhamer stated that a conference on corporate filing is attended each year as well as an occasional trip to Washington, D. C., on securities matters.

Mr. Robinson asked the reason for the reduction in election expenses. Mr. Swackhamer stated that the reduction was done by the Budget Office, adding that the funds as requested were slated to be spent on training school for elections officials, county clerks, etc. He stated that since the funds were removed from the budget, no training program will be conducted.

#### CIVIL DEFENSE

Mr. Barney Dehl, Director of Civil Defense and Disaster, addressed the proposed budget requests. He stated that the Hazard Preparedness grant is 100% Federally funded and it replaces two previous grants which provided for two professionals and two secretaries, and is now providing for two professionals and one secretary. He stated that one of the programs being replaced is the radiological defense program and the other is the emergency planning program.

#### EMERGENCY PLANNING PROGRAM

Mr. Dehl stated that this program was replaced by the Civil Defense Program.

#### RADIOLOGICAL DEFENSE PROGRAM

Mr. Dehl stated that this program was also replaced by the Civil Defense Program.

#### Civil Defense Personnel and Administration Program

Mr. Dehl stated that this is the Federal fund pass through money that goes to the local counties and to the state, adding that it is a 50-50 match fund. He stated that the funds are used by the various agencies for their civil defense program.

#### Surplus Property

Mr. Dehl stated that this is not actually surplus property but is NWS (National Weather Service). He added that the agency contracts with NWS to install, maintain and repair the national weather service broadcast stations. He stated that because it is federally funded, radio repair services are currently being provided to some state agencies at no cost, in compliance with the instructions of the last legislative session, stating that all radio maintenance and repair wherever possible, would be done through the State Communications Board. He added that

the State Communications Board approved their department doing these type of repairs. Additionally he stated that their time spent repairing radio equipment for other state agencies in the upcoming biennium will be charged to those receiving the services, and it is anticipated that the revenue generated by this program will be \$6,954, however, at this point there have been no charges and the savings will be passed on to state agencies as long as federal funds hold up.

Chairman Bremner asked if this revenue line item could be taken out of the budget. Mr. Dehl stated that the current funds provide for a 3/4 time employee and that the budget called for it to be full time though if the revenues are stricken, the employee would probably quit.

#### Federal Disaster Assistance Administration

Mr. Dehl stated that this budget has been replaced.

#### Commission on Post Secondary Education

Mr. Merlin Anderson, Administrator for the Commission on Post Secondary Education, and Mr. Tom Edwards, Chairman of the Commission, were introduced; and Mr. Anderson addressed the committee with respect to the proposed budget requests. He stated that the responsibility of his agency is to license private, post secondary institutions, granting agents permits to solicit for post secondary education, and programs for veterans in the various public and private institutions in the state. He indicated that the agency's budget request reflects a request for an additional 1½ positions, ½ in the area of clerical support, and a full time position in the area of application research and investigation. Additionally he stated that the governor has recommended that these two positions not be filled, but he feels that the department could function much better with them in light of the projected growth of the state.

Mr. Anderson stated that the in-state-travel allotment is needed to continue the monitoring of the ongoing programs throughout the state. He added that previously, because of the competitive air fares between Las Vegas and Reno, a savings was realized; however, he stated that the funds proposed in the budget for the upcoming biennium are not increased and it will be difficult to maintain the quality of supervision without approval of the funds as requested. He commented that almost half of the post secondary training is completed in the private institutions, as opposed to the community colleges.

Mr. Horn asked what the rationale of the Governor's Office was in eliminating the requested 1½ position increase. Mr. Alastuey stated that it was felt that this agency did not have the urgency that the prison and mental health systems had, and their need for more positions received priority.

Mr. Alastuey stated that discussions have been held to possibly introduce new legislation to collect a fee from existing licensees for the offering of new curricula and for the opening up of new facilities by existing licensees, thus creating additional revenue for the agency and enabling Mr. Anderson to expand his staff. He indicated that the fiscal impact is not known at this time.

Mr. Anderson stated that there is a move at the national level to cut the fees paid to Post Second Education Department by the Veterans Administration for veteran training; adding that this will be in the amount of 1/3. He stated that this is because of reduced enrollments of veterans, but that overall, the enrollments are increasing due to the population growth of the state.

Mr. Hickey asked what the effect of the MX influx will have on the agency if it comes about. Mr. Anderson stated that it will impact the system to a certain extent, probably increasing enrollments substantially, and increasing the amount of time it

takes to process applications. He added that he has received no indication that the agency will receive any federal funds to assist with the impact caused by MX.

Mr. Vergiels asked why the fee isn't higher for applicants for licensing coming into the state. Mr. Anderson stated that a maximum is set by law of \$250.00 but that the agency has not used this as a deterrent to out-of-state agencies coming to Nevada to set up business.

Mr. Glover stated that a serious look should be taken at setting a filing fee of \$15.00 for filing a non-profit corporation. He moved that the committee introduce legislation raising the non-profit filing fee with the Secretary of State to \$15.00, the motion was seconded by Mr. Marvel, and unanimously passed by the committee.

Mr. Coulter stated that salaries paid to administrators of various agencies seem to be too high for the duties and responsibilities held by the person, further asking how these salaries are set. Chairman Bremner stated that the unclassified salaries are set by the Legislature and one way to put some consistency into the salaries paid is to unclassify the positions and reset the salaries at a consistent level commensurate with the responsibilities of the positions.

Mr. Horn stated that if Post Secondary Education would increase the fees charged to applicants, it would discourage frivolous applications and thus reduce the amount of investigative work the agency has to do. Chairman Bremner stated that Mr. Bible is going to research the statutes that authorize the agency to charge \$250.00 and perhaps something can be done to increase the fee.

A handout was distributed from Mr. Ron Lurie, City Commissioner and Mayor Pro-Tem of the City of Las Vegas concerning the needs of mental health in Southern Nevada. (EXHIBIT A)

The Committee was adjourned at 12:45 p.m.

DATE: February 2, 1981

WAYS AND MEANS COMMITTEE

GUEST LIST

NAME (PLEASE PRINT)

REPRESENTING:

~~Gene Watson~~

ESD

~~Wendy Madsen~~

OP

Jean Laird

Welfare Div.

MINOR KELSO

WELFARE DIV

Ace MATTELLE

" "

Marian Hurst

" "

Gloria Handberg

" "

Sara Miller

" "

John & Duane

" "

Capt Q. Sibui

Human Resources

Mitchell Landsberg

H.P.

Mr. Swackhamer

Secty of State

Mr. Dehl

Civil Defense Coordinator

Merlin Andersen

Admin PSE

Tom Edwards

Chm. Comm on PSE

CITY COMMISSIONER  
MAYOR PRO-TEM  
RON LURIE



January 28, 1981

The Honorable Roger Bremner  
Assemblyman, State of Nevada  
Chairman, Ways & Means Committee  
State Legislative Building  
State Mail Room Complex  
Carson City, Nevada 89710

Dear Assemblyman Bremner:

*Roger*

As Chairman of the Las Vegas Mental Health Center Advisory Board; I am submitting the enclosed statement for your Committee's review. Your assistance in entering this into the record is greatly appreciated.

My apologies as I wished to be able to present this statement to you personally but am unable to do so. However, should you wish me to appear at a later date to answer the Committee's questions concerning the needs of mental health in Southern Nevada, I will be most happy to attend.

Thank you.

Sincerely,

*Ron*

RON LURIE

RL:r  
enclosure



STATEMENT MADE BY COMMISSIONER RON LURIE  
ASSEMBLY WAYS & MEANS COMMITTEE  
JANUARY 29, 1981

LADIES AND GENTLEMEN --

I'M SPEAKING TO YOU TODAY AS CHAIRMAN OF THE LAS VEGAS MENTAL HEALTH CENTER ADVISORY BOARD AND LEGISLATIVE REPRESENTATIVE OF THE COMBINED MENTAL HEALTH ADVISORY BOARD IN CLARK COUNTY. AS BOARD MEMBERS, WE ARE CONCERNED WITH THE FUTURE OF PUBLIC MENTAL HEALTH SERVICES IN SOUTHERN NEVADA. OVER THE PAST SEVERAL YEARS, WE HAVE EXPERIENCED CONTINUED GROWTH. THIS GROWTH AND ASSOCIATED INCREASE IN ECONOMICS, CRIME AND OTHER SOCIAL PROBLEMS HAVE RESULTED IN A NEED FOR PUBLIC MENTAL HEALTH SERVICES THAT BY FAR EXCEED THE RESOURCES AVAILABLE.

THROUGHOUT THE PAST YEAR, THE AVERAGE COMBINED OUTPATIENT WAITING LIST AT HENDERSON MENTAL HEALTH CENTER, CHILDREN'S BEHAVIORAL SERVICES, AND LAS VEGAS MENTAL HEALTH CENTER HAS NUMBERED 300. THESE PEOPLE ARE REQUESTING PUBLIC SERVICES BECAUSE THEY ARE UNABLE TO AFFORD PRIVATE ALTERNATIVES. WITH PROPER ASSISTANCE, THEY -- AS A GROUP OF MENTAL HEALTH CLIENTS -- HAVE THE BEST POTENTIAL FOR CONTINUING OR RETURNING TO PRODUCTIVE LIFE, AS TAXPAYERS RATHER THAN WELFARE RECIPIENTS. HOWEVER, THIS GROUP IS INCREASINGLY BEING DENIED SERVICE BECAUSE OF THE EXCESSIVE DEMANDS OF MORE SEVERELY-IMPAIRED INDIVIDUALS WHO ARE BEING INVOLUNTARILY COURT-COMMITTED TO STATE FACILITIES.

CLARK COUNTY HAS PERHAPS THE HIGHEST PER CAPITA RATIO OF CIVIL COURT COMMITMENTS IN THE NATION. ALTHOUGH THESE INDIVIDUALS AS A GROUP HAVE A MUCH POORER PROGNOSIS FOR BECOMING SELF-SUFFICIENT, THEY MUST BE SERVED BECAUSE WITHOUT HELP, WHICH FOR MANY CONSISTS OF LONG-TERM COMMUNITY CARE, THEY WILL CONTINUE TO POSE A DANGER TO THEMSELVES, THEIR FAMILIES, AND THE COMMUNITY AT LARGE.

IN SPITE OF EXTENSIVE SERVICE NEEDS -- AS INDICATED BY THE NUMBER OF COURT COMMITMENTS, OUR HIGH SUICIDE RATE, THE NUMBER OF SINGLE-PARENT FAMILIES, AND OTHER MENTAL HEALTH INDICES USED BY THE PROFESSIONALS -- PUBLIC EXPENDITURES FOR MENTAL HEALTH SERVICES TO CLARK COUNTY CITIZENS DO NOT COMPARE FAVORABLY ON A NATIONAL OR STATE BASIS. CLARK COUNTY, WITH A POPULATION OF 462,000 INDIVIDUALS, REPRESENTS 56 PERCENT OF THE STATE POPULATION. THE PROPOSAL BEFORE YOU ALLOCATES ONLY 39 PERCENT OF THE STATE'S MENTAL HEALTH APPROPRIATIONS TO OUR COMMUNITY. ALTHOUGH THIS BUDGET MAY BE VIEWED AS A SLIGHT INCREASE OVER PAST PERCENTAGE DISTRIBUTIONS FOR CLARK COUNTY, THIS INITIAL IMPRESSION MUST BE WEIGHED AGAINST THE SERVICE REDUCTION THAT SOUTHERN NEVADA HAS EXPERIENCED FROM THE NEVADA MENTAL HEALTH INSTITUTE. THIS FACILITY, ONCE OFFERING STATEWIDE SERVICES, ALMOST EXCLUSIVELY ADMITS INDIVIDUALS FROM OUTSIDE CLARK COUNTY. ALTHOUGH THE BOARD AGREES THAT MOST SOUTHERN NEVADANS CAN BEST BE SERVED LOCALLY, IT MAKES NO SENSE TO TRANSFER THE RESPONSIBILITY TO CLARK COUNTY WITHOUT PROVIDING THE RELATED RESOURCES.

WE SUPPORT THE GENERAL PHILOSOPHICAL DIRECTION OF THE DIVISION'S BUDGETS FOR SOUTHERN NEVADA'S AGENCIES. BUT THE LEVEL OF SERVICE PROPOSED NEITHER MEETS OUR NEEDS NOR ADEQUATELY BEGINS TO ADDRESS PROBLEMS ASSOCIATED WITH THE DIVISION'S DISTRIBUTION OF RESOURCES. AT MINIMUM, WE REQUEST THAT THE PROPOSED ADULT SERVICES BUDGET BE SUPPLEMENTED BY REINSTATING THE 26-BED INPATIENT UNIT THAT IS CURRENTLY BEING OPERATED AND THAT THE CHILDREN'S RESIDENTIAL PROGRAM BE MAINTAINED AT EXISTING CAPACITY BY REINSTATING THE TWO MENTAL HEALTH TECHNICIAN POSITIONS THAT HAVE BEEN DELETED IN THE CHILDREN'S BEHAVIORAL SERVICES BUDGET PRESENTLY UNDER YOUR REVIEW. ALTHOUGH THERE ARE OTHER ISSUES WE WISH TO BRING TO YOUR ATTENTION, WE SHALL SAVE THOSE FOR LATER DISCUSSIONS WITH THE APPROPRIATE ASSEMBLY WAYS AND MEANS SUBCOMMITTEE.

ASSEMBLY WAYS & MEANS COMMITTEE

PAGE THREE

WE FULLY UNDERSTAND THE RESTRICTIONS ON STATE SPENDING BUT WE DO NOT FEEL THESE RESOURCE LIMITATIONS SHOULD PLACE A DISPROPORTIONATE BURDEN ON SOUTHERN NEVADANS. WE HOPE THAT YOUR SUBCOMMITTEE WILL EXAMINE THE AVAILABLE OPTIONS TO ASSURE THAT EACH COMMUNITY RECEIVES ITS PROPORTIONATE SHARE OF THE PUBLIC SERVICES WHICH ARE MADE AVAILABLE AND THAT THE SHARE OF RESPONSIBILITY EXPECTED FROM EACH MENTAL HEALTH AGENCY IS NO LESS AND NO MORE THAN INDICATED BY THEIR RESPECTIVE BUDGETS.

THANK YOU.