

MEANS OF EMPLOYING WELFARE RECIPIENTS



Bulletin No. 81-8

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

October 1980

TABLE OF CONTENTS

	<u>Page</u>
1. Assembly Concurrent Resolution No. 42, 1979 Session of the Nevada Legislature.....	iii
2. Report of the Legislative Commission.....	iv
3. Summary of Recommendations.....	vi
I. Introduction.....	1
II. Background of the Welfare Issue in Nevada..	2
III. Subcommittee Procedures.....	3
IV. The Historical Development of Social Welfare	4
A. Historical Origins of Welfare.....	4
B. English Origins.....	5
C. The Development of Welfare in the U.S.	6
D. Welfare in Nevada.....	9
V. Findings and Recommendations.....	11
VI. Explanations and Directions.....	18
4. Bibliography.....	20
5. Appendices:	
Appendix A - Description of Selected Welfare Programs.....	23
Appendix B - Program Statement Employment Training Specialist Unit.....	29

	<u>Page</u>
Appendix C - Projected Costs for a State Work Program FY 79, 80 and 81.....	32
Appendix D - Reduction of Federal Funding and Programs Under State Withdrawal from AFDC Program.....	35
Appendix E - Average Duration of an AFDC Case in Nevada.....	39
Appendix F - Suggested Legislation BDR 113	41

Assembly Concurrent Resolution No. 42—Assemblymen Chaney, Bennett, Weise,
Brady, FitzPatrick and Westall

FILE NUMBER.....130.

ASSEMBLY CONCURRENT RESOLUTION—Directing the legislative commission to conduct an interim study of possible means of employing continuous recipients of welfare.

WHEREAS, Many persons who are existing on support from public welfare are unable to break the cycle of dependence upon that support; and

WHEREAS, An effective program for the permanent employment of those recipients would produce ultimate savings for the State of Nevada; now, therefore, be it

Resolved by the Assembly of the State of Nevada, the Senate concurring, That the legislative commission is hereby directed to study means of providing employment to persons who have been continuous recipients of support under public welfare; and be it further

Resolved, That the study include an examination into:

1. Effective methods of educating and training the recipients for permanent employment;
2. Appropriate inducements which might be given to private employers to hire the recipients and train them for specific jobs;
3. Classes of employment within the public service which might be opened to applications by the recipients and the reasonableness of any preferences to aid them in qualifying for the employment;
4. Means of making transportation available for the recipients to and from places of employment and of providing economical centers for essential care of their children during working hours; and
5. Methods of financing a program to achieve these objectives; and be it further

Resolved, That the legislative commission report the results of the study to the 61st session of the legislature, together with any recommendations for appropriate legislation.

REPORT OF THE LEGISLATIVE COMMISSION

TO THE MEMBERS OF THE 61st SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Assembly Concurrent Resolution No. 42 of the 60th session, which directed the legislative commission to study and make recommendations on the subject of employing continuous recipients of welfare.

The legislative commission appointed a subcommittee to make the study. Assemblyman Marion D. Bennett was designated chairman of the subcommittee and Assemblyman Robert G. Craddock, vice chairman. Senator Clifford E. McCorkle, Assemblyman Bill D. Brady and Assemblyman Michael T. FitzPatrick were also appointed to the subcommittee.

Subcommittee members wish to recognize and thank the many persons who attended and participated in meetings in Carson City and Las Vegas. Special acknowledgment is given to the Nevada state welfare division and the Nevada state department of employment security for their cooperation in providing the subcommittee with statistics and other valuable information on welfare recipients and employment programs.

The report is transmitted to the members of the 1981 legislature for their consideration and appropriate action.

Respectfully submitted,

Legislative Commission
Legislative Counsel Bureau
State of Nevada

Carson City, Nevada
October 1980

LEGISLATIVE COMMISSION

Senator Keith Ashworth, Chairman
Senator Melvin D. Close, Jr., Vice Chairman

Senator Richard E. Blakemore
Senator Carl F. Dodge
Senator Lawrence E. Jacobsen
Senator Thomas R. C. Wilson

Assemblyman Robert R. Barengo
Assemblyman Joseph E. Dini, Jr.
Assemblyman Virgil M. Getto
Assemblyman Paul W. May
Assemblyman Robert F. Rusk
Assemblyman Darrell D. Tanner

SUMMARY OF RECOMMENDATIONS

1. Memorializing the Congress of the United States to enact legislation which would return to the states the right to regulate and administer certain federally funded public assistance programs. (BDR 113)
2. The 1981 Nevada legislature should study the problem of public transportation in the state, particularly in Clark County, and consider methods of extending such transportation to recipients of public assistance.
3. The 1981 Nevada legislature should maintain the necessary level of welfare eligibility workers within the state welfare division, in order to maintain Nevada's excellent record of controlling the abuse of public assistance.

REPORT TO THE LEGISLATIVE COMMISSION OF ITS SUBCOMMITTEE
TO STUDY POSSIBLE MEANS OF EMPLOYING
CONTINUOUS RECIPIENTS OF WELFARE

I. INTRODUCTION

In 1979 the Nevada legislature adopted Assembly Concurrent Resolution 42, which directs the legislative commission to study means of employing continuous recipients of welfare in this state. A.C.R. 42 suggests that the study include topics such as effective methods of educating and training the recipients for permanent employment; appropriate inducements which might be given to private employers to hire the recipients and train them for specific jobs; classes of employment within the public service which might be opened to applications by the recipients and the reasonableness of any preferences to aid them in qualifying for the employment; means of making transportation available for the recipients to and from places of employment and of providing economical centers for essential care for their children during working hours; and, methods of financing a program to achieve these objectives.

The subcommittee was allocated \$6,465 for the cost of meetings and printing the final report. It held an initial meeting in Carson City on September 19, 1979, public hearings in Las Vegas on January 23, 1980, and in Carson City on March 21, 1980. A subcommittee work session was held on August 14, 1980, in Carson City.

II. BACKGROUND OF THE WELFARE ISSUE IN NEVADA

One of the most controversial issues in America during the 1960's and 1970's was the extent of governmental involvement in providing for the welfare of its citizens. On the one hand, many argued that while welfare was necessary for some people, too much governmental interference would lead to a dependency on public assistance. On the other hand, many argued that governmental support was necessary if welfare recipients were to ever become independent of the welfare system.

Under President Lyndon B. Johnson's leadership several programs designed to help the poor were enacted. The programs of Johnson's "Great Society" resulted in the most recent transformation in the structure of the welfare system in the United States and provoked considerable controversy. The states began to play an ever smaller role in the development of welfare programs. The states administered the programs but the Federal Government prescribed the rules and regulations.

The legislature recognizes that several valuable changes in the present welfare system have been made recently in order to help welfare recipients move from public assistance to employment. It also recognizes that the state may be able to supplement these efforts in order to help even more recipients become employed.

In adopting A.C.R. 42, the legislature expressed its desire for additional information concerning the welfare population in Nevada. It also expressed its desire for information concerning the present welfare system in Nevada and recommendations for its improvement. The legislative commission's subcommittee on means of employing continuous recipients of welfare closely adhered to the charges of that resolution in fulfilling its responsibility.

III. SUBCOMMITTEE PROCEDURES

Prior to the first meeting of the subcommittee, staff was directed to gather background information on the factual aspects of A.C.R. 42. Data available on a statewide basis on the present welfare population and welfare programs in Nevada were presented to the subcommittee in a brief background paper.

At the first meeting of the subcommittee, the state welfare division provided the subcommittee with factual information about the welfare system in Nevada, in particular the Federal Aid to Families with Dependent Children (AFDC) program. The state employment security department provided the subcommittee with information concerning the Work Incentive Program and various other employment programs for welfare recipients administered by the department.

The initial meeting was followed by public hearings in Las Vegas and Carson City. At these hearings, the subcommittee received testimony from a broad range of people and interest groups including: state and local welfare administrators, recipients of welfare, employers, community based social services agencies and the U.S. Forest Service..

In preparation for the final work session, the subcommittee reviewed the Aid to Families with Dependent Children program, the Work Incentive Program and the various state and local methods used to employ recipients of welfare. At the final public hearing, the subcommittee reviewed the accumulated data and testimony and made recommendations for the final report and accompanying legislative proposals. The work session was devoted to review and correction of these documents.

It should be noted that the subcommittee narrowed its focus to the Aid to Families with Dependent Children program. It should also be noted that during the course of this study, it became readily apparent to the subcommittee that the development of alternative means of employing continuous recipients of welfare significantly depended upon a familiarity with the present welfare system. Therefore, this report, in addition to making specific legislative recommendations, is intended to provide some of the historical facts about welfare in Nevada and the United States.

IV. THE HISTORICAL DEVELOPMENT OF SOCIAL WELFARE

At the first meeting of the subcommittee it became apparent that many of the issues under consideration had been considered before and are still the subject of considerable debate and controversy.

Yet even with all the experience in trying to solve the problems of the poor, dissatisfaction with the welfare system remains. The poor feel that the present programs do not provide them with a decent standard of living and will not help them to escape the dependency of welfare, and those who pay for the programs do not feel they are getting a fair return for their tax dollar.

A brief review of the history of welfare shows that many of the welfare programs in existence in the United States today are descended from Medieval England. They too struggled with many of the same controversial issues that we are still struggling with today, and they too were unable to resolve many of these issues.

A. HISTORICAL ORIGINS OF WELFARE

Modern anthropology and sociology have shown that from the beginning of the development of human society man has had the desire to mutually assist his fellow man, as well as the desire to dominate him. For instance, mutual aid among members of a tribal society served as the only means of protection for that tribe. With the development of tribal societies and the beginning of religion, the tribal priest provided protection for the helpless, the widowed and orphaned, and the sick.

When Christianity was accepted as the state religion and the church began to exert considerable influence over people's lives, institutions for the poor were established in the monasteries. They served as orphanages, homes for the old, the sick, the handicapped and the homeless. The desire to receive the grace of God helped to encourage a strong devotion to religion and this served as the strongest incentive for benevolence and charity.

The church's philosophy was that the social conditions of the poor were the result of circumstances or of God's social design for man. Therefore, society could help the poor by giving at their local parish. But the church did little to prevent the poor from becoming dependent upon relief.

In the late 16th century a unique experimental program for the poor was developed by Juan Luis Vives, a Spanish philosopher. Upon investigating the conditions of pauper families in a city in Spain, Vives proposed that relief provided to the needy be in the form of vocational training, employment and rehabilitation. The purpose of Vives' program, of course, was to help the poor become independent of relief. He felt that society would benefit if all its members were productive.¹ But beyond a few individuals' ideas, there were no comprehensive programs developed to assist the poor into employment.

Until the 17th century then it was predominately the church that provided relief to the poor. The church asked for little in return from the poor for this relief and it was unable to help the poor become independent of this relief.

B. ENGLISH ORIGINS

Because America borrowed so heavily from the English welfare system it is worth taking a brief look at its origin.

In the late 14th century in England, a wage economy began to develop and feudalism gradually began to disappear. This meant that the serfs no longer depended upon the landlords for their economic security. Many former serfs sought employment in the cities but because of high unemployment many died from disease or starvation.

Because of the high level of unemployment, idleness was viewed as a crime and providing relief to the poor was viewed as making a vicious practice only worse. Moreover, the poor were no longer seen as the victims of unfortunate circumstances but rather as victims of their own "idle, irregular, and wicked courses."

¹ Several of his ideas were first practiced in Hamburg, Germany, during the late 18th century.

As a result of the surplus of labor and the changed attitudes toward the poor, several laws regulating poor relief were issued in England between 1350 and 1600. Collectively these laws were known as the "poor laws" and were administered through the organized church, with each local parish responsible for the care of its own poor.

The most important of the poor laws was the Elizabethan Poor Law issued by Queen Elizabeth in 1601. Its principal features were: 1) public financing of relief for the poor through taxation of property owners; 2) local administration of poor relief; 3) relief was provided to local residents only; 4) family or relatives were to support the poor and only when they could not be found was public relief provided; 5) separate categories of aid for the aged, the sick and disabled, the unemployed and children; 6) relief was always less than the lowest-paid worker's wages; and 7) the "able-bodied" unemployed could not receive any relief if they refused to accept employment.

The Elizabethan Poor Law reflected the changed attitudes about poverty and about the poor. It placed a high value on work by providing relief to certain groups of people and by providing the able-bodied relief only as a last resort. But the Elizabethan Poor Law also reflected the acceptance of a community obligation for the poor, recognized that poverty and unemployment might be involuntary and established a pattern of local responsibility for the poor.

C. THE DEVELOPMENT OF WELFARE IN THE UNITED STATES

In colonial America each town was responsible for maintaining its needy citizens and relief was provided by private charities through in-kind benefits; for example food and clothing, and through a poor tax. As in England, emphasis was placed on domicile and local and family responsibility for the poor. This continued as the dominant theme well into the 20th century.

During the 18th and 19th centuries, relief for the poor was increasingly provided by private charity groups. Organizations such as the New York Society for the Prevention of Pauperism, the Charity Organization Societies and Hull House, together with individuals like Dorothea Dix, Jane Addams

and Joseph Tuckerman helped aid the poor, the aged and the mentally disabled. Private charity organizations and city and county governments provided the bulk of the relief to the poor until the end of the 19th century.

The beginning of the 20th century, however, marked an end to exclusive local control over social welfare programs. The trend throughout the present century has been to consider social problems on a national scale and to develop national programs using the experience of state and local governments and private charity organizations.

One of the first significant events marking this trend occurred in 1909 when President Theodore Roosevelt called the first "White House Conference on the Care of Dependent Children." This conference adopted a platform which opposed the removal of children from their home for reasons of poverty. It also called for each state to enact a mothers' pension law for widows and deserted women and their children. This recommendation was important because it helped lay the foundation for the present Aid to Families with Dependent Children program. Initially designed to assist widows and deserted women in supporting themselves and their children, this program, as we will see later in this report, has become one of the largest and most expensive welfare programs in the United States.²

The next significant event marking a change in the principles and administration of the American welfare system occurred with the crash of the New York Stock Exchange in October 1929.

The Great Depression resulted in significantly large numbers of unemployed Americans. For instance in the spring of 1929, 2.8 million people were unemployed. Two years later, 8 million people were unemployed and by 1932 over 750,000 farmers went bankrupt. President Herbert Hoover felt that the depression was a temporary problem which private charities, supported by voluntary donations, would resolve.

² Please see Appendix A, p. 23.

By 1932, however, 15 million Americans were unemployed. Because of this high unemployment, attitudes concerning poverty and unemployment changed dramatically. People standing in unemployment lines were no longer viewed as idle and unproductive, and poverty during the Great Depression was something that many people could not avoid.

President Franklin D. Roosevelt thought that the Federal Government should play a significant role in giving America a "New Deal". Some of the programs aimed at eliminating poverty under the New Deal were: the Federal Emergency Relief Act, the Civil Works Administration, the Works Project Administration, and several youth work programs, most notably, the Civilian Conservation Corps.

On August 14, 1935, Roosevelt signed into law the most important and far-reaching piece of social welfare legislation in U.S. history - the Social Security Act.

This act established three types of programs: 1) a program of social insurance, consisting of a Federal old-age insurance system and a Federal-state unemployment compensation system; 2) a program of public categorical assistance supported by federal grants-in-aid for three groups, including old-age assistance, aid to the needy blind, aid to dependent children and aid to the permanently and totally disabled; and 3) a program of health and welfare services, providing for maternal and child health services, services for crippled children, child welfare services, vocational rehabilitation and public health services.

The Social Security Act has set the character for American welfare policy for the past five decades and will probably continue to do so for the rest of this century.

The next major event marking a change in the U.S. welfare system occurred with President Lyndon B. Johnson's "war on poverty". Johnson wanted America to become a "Great Society" and the elimination of poverty was essential in creating that society. Under the Great Society several programs in the areas of housing, education, health, and employment were enacted including: the Economic Opportunity Act of 1964, the Job Corps, Headstart, Volunteers in Service to America (VISTA), foodstamps, Medicare, Medicaid and college work-study programs.

This brief historical description illustrates several trends. The first is a trend toward increased federalization of welfare programs and away from local control. In addition, there has certainly been a trend toward providing public relief and away from relief provided by private sources.

These developments have not been welcomed by everyone. Many feel that government interference leads to further dependency upon welfare and that interference by the Federal Government robs from state and local governments the responsibility to make policy for their citizens. During the 1970's, much of the policy, for example revenue sharing and block grants, under the "New Federalism" reflected this sentiment. Testimony before the subcommittee indicated a strong preference for state and local control over welfare policy but it was evenly divided concerning the extent of governmental involvement in providing for the welfare of all society.

D. WELFARE IN NEVADA

With mining as the principal industry in early Nevada many people came to the state to work in the mines for only a short period of time. Nevada was also at the mercy of national political events which thrust Nevada into statehood after only 3 years as a territory. This meant that a governmental structure to provide social services had not yet been established.

Against this background, assistance was provided only to the "worthy poor", which included widows and orphans, and sick and disabled miners, and much of it was provided by private organizations, such as E. Clampus Vitus.

Many people, however, were not entitled to private charity so when Nevada became a state in 1864, the responsibility of caring for the needy was placed with the counties under article III, §3, of the Nevada constitution. The article required:

The respective counties of the state shall provide * * * for those inhabitants who, by reason of age, and infirmity or misfortunes,

may have claim upon the sympathy and aid of Society.³

In 1915, 6 years after President Roosevelt's White House Conference, Nevada established a mothers' pension program, a forerunner to the present Aid to Families with Dependent Children program. The program applied to women and their minor children under age 15, whose husbands and fathers were deceased, had deserted their families, or were incarcerated in a state institution. The basic pension for a mother or child was \$25 and for each additional child \$15 up to a maximum of \$55 per family.⁴

It was in 1955 that the state legislature voted to adopt the Federal Aid to Families with Dependent Children (AFDC) program replacing the state-county assistance program. As previously mentioned, the AFDC program was the focus of the subcommittee's study.

Finally, the basic legal requirements concerning public welfare in Nevada are found in title 38, chapters 422-432A of the Nevada Revised Statutes (NRS). The duties of the state welfare board and the welfare administrator are under chapter 422 of NRS.

The welfare board is a seven-member board appointed by the governor and is vested with the policymaking duties, powers and responsibilities assigned by law to the welfare division. The board and the division are designated as the state agency to administer the various federally supported public assistance titles as required under the Social Security Act. The welfare division is part of the department of human resources and the administrator of the division is appointed, with the consent of the governor, by the director of the department. He is assisted by a staff of approximately 714 people.

³ This section was repealed in 1937 to make Nevada eligible for federal funding.

⁴ This maximum was raised to \$75 and the age for a dependent child was raised to 16 in 1921.

V. FINDINGS AND RECOMMENDATIONS

A. Effective Methods of Educating and Training Welfare Recipients for Permanent Employment.

Initial investigation by the subcommittee showed that several employment and education and training programs for AFDC recipients were already in existence.

The state welfare division and the state employment security department jointly administer the Federal Work Incentive program (WIN). This program was enacted in 1967 and requires certain AFDC recipients to register for training and employment services. The state welfare division provides support services, for example, day care and transportation, and the employment security department provides employment and training.⁵

In addition, the state welfare division administers the employment training specialist unit. The objective of this state program is to place current and "potential" welfare recipients in community employment training programs or in actual employment. During 1979, 973 clients were interviewed in Reno and Las Vegas. A total of 580 clients were placed either in employment or in employment training.⁶

The subcommittee recognizes that the Federal Government and the state welfare division have taken several important steps in assisting AFDC recipients to find employment and help them become independent of public assistance.

The subcommittee, however, felt that the state might be able to take additional measures to provide employment to those AFDC recipients not registered for WIN.

⁵ please see Appendix A, p. 23

⁶ Please see Appendix B, p. 29.

The subcommittee considered adopting a Utah employment program which requires all employable AFDC recipients, not registered for WIN, to register for public service employment. The Work Experience and Training Program (WEAT) was adopted by the Utah legislature in 1974. Recipients are required to work 3 days per week at jobs, such as highway maintenance, and to look for permanent employment in the private sector at least 2 days per week. Utah officials claimed that the WEAT program reduced the number of AFDC recipients by 16 percent and reduced public assistance expenditures by \$341,000 over a 2-year period.

Upon further investigation, however, the subcommittee was informed by the state welfare division that the U.S. Department of Health and Human Services (formerly the U.S. Department of Health, Education and Welfare), would not approve any state employment programs for AFDC recipients similar to the WEAT program. The reason the department will not approve such a program is because WEAT requires AFDC recipients to register for the program while federal regulations state that participation in a "demonstration project" must be voluntary⁷ and that a recipient must be compensated, in addition to his AFDC grant, at least the minimum wage while working.⁸

In addition, the state welfare division estimated that if a program similar to WEAT were approved for Nevada it would cost an additional \$593,000 for fiscal year 1979, \$616,000 for fiscal year 1980 and \$642,000 for fiscal year 1981.⁹ Moreover, the WEAT program was not approved by the Federal Government until 1976 - 2 years after its enactment. As a result, Utah lost \$500,000 in federal funding for which it has not been compensated.

⁷ 45CFR §282.10.

⁸ 42U.S.C. §1315.

⁹ Please see Appendix C, pp. 32, 33 and 34.

The subcommittee, however, was insistent upon developing a program to assist more AFDC recipients in finding employment. The next step considered by the subcommittee was to withdraw the State of Nevada from the AFDC program. This would allow the state to formulate its own regulations for public assistance recipients rather than allowing the Federal Government to do so. The state welfare division informed the subcommittee that this would result in the loss of \$38,160,559 in federal funds for fiscal year 1979-80 and would affect welfare programs such as child protection, Title XX, Title XIX, WIN and child support.¹⁰

Additionally, the state attorney general's office offered the subcommittee an opinion concerning the legal ramifications of the state's withdrawal from the AFDC program. The opinion stated that while the AFDC program was elective, once a state participated in the program it may have vested a property right for public assistance to every eligible recipient. The opinion further stated that if Nevada stopped providing services to eligible recipients it might be viewed as denying vested property rights to certain citizens of the state simply because of their residence in the state, which might be viewed as a violation of equal protection guarantees.¹¹ According to this opinion then, if the state withdrew from the AFDC program it would still have to provide the present services from state monies.

The state legislative counsel, however, disagrees with the opinion of the attorney general and believes that the state could withdraw from the AFDC program without any legal obligations to the recipients.¹²

The subcommittee also considered developing state employment programs for disadvantaged youth in an effort to help them avoid future dependency upon public assistance.

¹⁰ Please see Appendix D, p. 35.

¹¹ Please see Appendix D, p. 36.

¹² Please see Appendix D, p. 38.

The subcommittee learned through testimony that a federal youth employment program, the Young Adult Conservation Corps (YACC), had been established under the Comprehensive Employment and Training Act of 1973. The YACC program is administered by the U.S. Forest Service and enables young people between the ages of 16 and 23, to do conservation work and receive employment experience and training.

The northern Nevada YACC camp is located at Clear Creek, just outside Carson City and serves approximately 60 young people each month. One of the subcommittee members inquired about developing a state program similar to the YACC program at Clear Creek. Upon further investigation the subcommittee determined that the facilities at Clear Creek could not accommodate additional youth. Approximately 10,000 to 12,000 youths use the Clear Creek camp each year, including Girls State, Boy Scouts and Girl Scouts, and an additional program would mean the loss of these programs.

The subcommittee also considered several vocational education programs for youth. Of particular interest to the subcommittee were the programs of the Industry Education Council of California. The council provides employment education, training programs and employment opportunities to youth. The various projects are funded by a number of private business firms. The subcommittee felt that organizations such as the Industry Education Council are very helpful in preparing youth for the work force.

Finding:

The subcommittee finds that on a nationwide basis, employment education and training in Nevada compares very favorably with the rest of the country. It notes, however, that the state should continue to monitor the situation and to study the feasibility of adopting additional vocational education programs for youth. The state should also consider employment programs for recipients where appropriate.

In light of this finding the subcommittee made the following recommendation concerning employment training and work programs:

A joint resolution memorializing the Congress of the United States to enact legislation which would return to the states the right to regulate and administer certain federally funded public assistance programs.

B. Appropriate Inducements Which Might be Given to Private Employers to Hire Public Assistance Recipients and Train Them for Specific Jobs.

Presently the Federal Government, under the WIN program, administers On the Job Training (OJT). This program attempts to place AFDC recipients in employment by offering to pay one-half of a WIN employee's wages and allowing an employer to deduct \$6,000 of the total salary paid to a WIN employee. In addition, Congress in 1975 enacted the Tax Reduction Act which authorizes a tax credit for employers who hire any AFDC recipient regardless of whether or not they participate in the WIN program.

Testimony from, and contact by subcommittee staff of, employers in the private sector, including several banks and gaming establishments, indicated that employers were not making significant use of these tax credits. The primary reason for this is that the tax credit is not large enough for the employer to become involved in bureaucratic "red tape". Moreover, a tax credit is not the only factor considered by an employer when hiring a person.

Finding:

Testimony on this subject indicated that employers in the private sector have made a strong effort to employ recipients of public assistance.

C. Means of Making Transportation Available for the Recipients to and from Place of Employment and of Providing Economical Centers for Essential Care of Their Children During Working Hours.

Transportation to and from employment, and child day care were the most frequently mentioned problems that prevented employment of AFDC recipients. Frequently a recipient will find a job but will be unable to get to it because of a lack of transportation, a lack of child day care, or both.

Several members of the subcommittee expressed a desire to further pursue the issue of transportation, particularly methods of providing public transportation in Clark County.

In 1979 the state legislature passed A.B. 70 (chapter 680, Statutes of Nevada, 1979), which authorizes regional transportation commissions (formerly regional street and highway commissions), to operate a public transportation system. The legislature, however, did not appropriate state monies for a public transportation system and funds raised under the county gasoline tax, which are administered by the regional transportation commissions, can only be used to improve existing streets or to fund new streets and highways.

Consequently, the Clark County metropolitan planning office applied for federal funds from the Urban Mass Transit Administration (UMTA). Under the transportation plan developed by the metropolitan planning office, it was estimated that capital costs would total \$13 million while operating costs would total \$10.3 million. UMTA has tentatively agreed to fund 65 percent of these costs, requiring local sources to finance the difference.

The subcommittee considered several proposals to expand public transportation in Clark County in an effort to assist, among many others, welfare recipients to get to and from work. One of the proposals considered by the subcommittee was the sale of school buses in Clark

County to finance a public transportation system in Las Vegas. Several interested parties in this subject area, including the Clark County commissioners and the Clark County transportation study policy committee, were asked to comment on this proposal. Considerable skepticism was expressed by those who responded.

Finding:

The subcommittee recognizes that the lack of transportation for recipients to and from work might hinder the employment of welfare recipients.

Therefore, the subcommittee recommends that:

The 1981 legislature should study the problem of public transportation in the state, particularly in Clark County, and consider methods of expanding such transportation for recipients of public assistance.

D. Other Findings and Recommendations

One of the two significant findings of the subcommittee was the decreasing number of AFDC recipients, especially during the past 3 fiscal years. For instance, in fiscal year 1976-77 there was a monthly average of 12,450 AFDC recipients. In fiscal year 1977-78 the average number of recipients dropped to 11,484 and in fiscal year 1978-79 this figure significantly declined to 9,173 recipients. Moreover, there was a 44 percent decline in the number of recipients between fiscal years 1970-71 and 1978-79. The state welfare division attributed the decrease in the number of recipients to increased eligibility personnel.¹³

The second major finding was a lack of evidence to support the existence of a "hard core" group of AFDC recipients. Initially, the subcommittee felt that a large majority of AFDC recipients had been on assistance for at least 2 years and in many cases for an even longer period of time.

¹³ Please see Appendix A, pp. 26 and 27.

Upon further investigation the subcommittee learned that the majority of AFDC recipients received assistance for 1 year or less. In fact, 71 percent of the AFDC cases in Nevada received assistance for 1 year or less and 41 percent were on AFDC for 6 months or less.¹⁴

Finding:

The subcommittee recognizes that Nevada has consistently ranked among the top five states in eliminating welfare fraud and allowing only eligible persons to receive assistance.

In order to maintain this excellent record the subcommittee recommends that:

The 1981 Nevada legislature should maintain the necessary level of welfare eligibility workers within the state welfare division in order to continue Nevada's excellent record in eliminating welfare fraud.

VI. EXPLANATIONS AND DIRECTIONS

It is generally conceded that if we knew the "whys" of people needing public assistance it would offer us clues as to the "hows" of helping people off of assistance. Pursuant to the directives of A.C.R. 42, the subcommittee looked at methods of employing continuous recipients of welfare such as employment and training programs, means of transportation and incentives for employers in the private sector. In addition, those who testified before the subcommittee offered several reasons why people turned to public assistance. Most of these reasons related to the general

¹⁴ please see Appendix E., p. 39.

structure of the economy, for example lack of employment, and a general feeling of frustration and disappointment on the part of the recipients over their previous work experiences.

While recognizing the validity of these ideas to a certain degree, it was the judgment of the subcommittee that a lack of personal motivation more accurately reflects the reason people turn to public assistance. Initially, the subcommittee thought that even those recipients who lacked personal motivation could be employed by providing employment and training programs, transportation to work and incentives to employers in the private sector to hire recipients of public assistance.

This study shows, however, that the number of AFDC recipients in Nevada has been declining throughout the 1970's and that welfare is not necessarily passed on from one generation of recipients to the next generation. Therefore, the subcommittee felt that additional programs funded by state monies would not be cost effective. The subcommittee also expressed the need to learn more about the nature of the problem in the hope that it can be ameliorated.

BIBLIOGRAPHY

- Aaron, Henry J. Why Is Welfare So Hard to Reform? (Washington, D.C.: Brookings Institution, 1973).
- Adams, Brock. "Welfare, Poverty, and Jobs: A Practical Approach," Challenge (September/October 1976), pp. 6-12.
- Bell, Winifred. Aid to Dependent Children (New York: Columbia University Press, 1965).
- Bernick, Michael. "The Need for Job Training Still Remains Paramount," San Francisco Sunday Examiner and Chronicle (February 10, 1980), B-3.
- Bornet, Vaughn Davis. Welfare In America (Norman, Oklahoma: University of Oklahoma Press, 1960).
- Coll, Blanche D. Perspectives in Public Welfare: A History (Washington, D.C.: U.S. Department of Health, Education, and Welfare, 1969).
- Congressional Budget Office, Employment Subsidies and Employment Tax Credits (Washington: Government Printing Office, 1977).
- Congressional Budget Office, Policy Options for the Teenage Unemployment Problem, Background Paper No. 13, (Washington: Government Printing Office, 1976).
- Cox, Irene. "The Employment of Mothers as a Means of Family Support", Welfare in Review, vol. 8, no. 6 (November/December 1970), pp. 9-17.
- Farnell, James E. and Elaine Pitzalis. "How Welfare Recipients Find Jobs: A Case Study in New Jersey", Monthly Labor Review (February 1978), pp. 43-5.
- Friedlander, Walter A. Introduction to Social Welfare (Prentice-Hall, Inc.: Englewood Cliffs, N.J., 1968, 3d ed.).

Gomes, Nancy and Susan Lockhart. "Poverty and Public Assistance in Nevada", Welfare in Nevada: Report of the Nevada Assembly on Public Assistance (Reno, Nevada: Bureau of Governmental Research, 1974).

Levitan, Sar A. "Work and Welfare in the 1970's," Testimony Before the Subcommittee on Government Operations, (July and September 1977, pp. 90-157).

Lipman, Harvey. "Workfare and Welfare" The Nation (August 20, 1977), pp. 141-44.

Nevada Legislative Commission, Legislative Counsel Bureau. Consolidation of State and Local Welfare Problems (Bulletin No. 115, September 1974).

Nevada Legislative Commission, Legislative Counsel Bureau. State Welfare Laws (Bulletin No. 108, December 1972).

Nevada State Taxpayers Association. "Report on Nevada State Welfare Program", Report 36, (Carson City, NV: December 1959).

Nevada State Welfare Division, Report for the Biennium (June 30, 1976).

Nevada State Welfare Division, Report for the Biennium (June 30, 1978).

Roske, Ralph J. "Nevada Welfare Services: From E. Clampus Vitus to Umbrella Agency", Welfare in Nevada: Report of the Nevada Assembly on Public Assistance (Reno, Nevada: Bureau of Governmental Research, 1974).

Salamon, Lester M. Welfare: The Elusive Consensus (New York: Praeger Publishers, 1975).

Sampson, Timothy J. Welfare: A Handbook for Friend and Foe (Philadelphia: United Church Press, 1972).

Smith, Russell E. and Dorothy Zietz. American Social Welfare Institutions (John Wiley and Sons, Inc.: New York, 1970).

Spindler, Arthur J. Public Welfare (New York: Human Services Press, 1979).

Steiner, Gilbert Y. The State of Welfare (Washington, D.C.: Brookings Institution, 1971).

The Council of State Governments. The Book of the States, Vol. 22 (Lexington, KY: The Council of State Governments, 1978-79).

U.S. Congress, Jt. Economic Committee, "Income Transfer Programs: How They Tax the Poor", 92d Congress, 2d session, paper no. 4, December 22, 1972.

U.S. Congress, Jt. Economic Committee, "Public Employment and Wage Subsidies", 93d Congress, 2d session, paper no. 14, December 30, 1974.

U.S. Dept. of Labor. Income Inequality and Employment (Washington, D.C.: Government Printing Office, 1978).

APPENDIX A
DESCRIPTION OF SELECTED WELFARE PROGRAMS

APPENDIX A

Description of Selected Welfare Programs

A. Aid to Families with Dependent Children

Aid to Families with Dependent Children (AFDC) is provided for under Title IV-A of the Social Security Act of 1935. The purpose of the program is to provide financial assistance to indigent parents or relatives of dependent children to encourage the care of these children in their homes. Initially, the program only provided benefits to one-parent families. In 1961, however, the law was changed to include two-parent families when the father is unemployed (AFDC-UF). States were allowed to participate in this program at their option and Nevada has chosen not to participate.

The AFDC program is funded through a combination of federal, state, and, in a few cases, local dollars. Every state is reimbursed for administrative costs at a rate of 50 percent, while reimbursement for AFDC benefit expenditures varies according to each state's per capita income. Presently Nevada is reimbursed for 50 percent of its expenditures for benefits.

The criteria for eligibility for the program and the level of assistance for recipients are determined by each state. As a result, the average monthly payment per recipient varies widely from a low in fiscal year 1979 of \$11.92 in Puerto Rico to a high of \$124.30 in Alaska, with an average payment across the 50 states of \$86.21. In fiscal year 1978, AFDC was provided to an average of 10.6 million persons in the United States at a cost of \$11.7 billion. During that same period Nevada provided AFDC to 10,537 persons each month at a total cost of approximately \$7.8 million, with an average monthly grant of \$63 per recipient.

B. Work Incentive Program

The Work Incentive program (WIN) was enacted in 1967. The objective of WIN is to employ eligible AFDC recipients through employment training, job search and temporary support. It is administered jointly in each

state by the welfare and labor departments (the welfare division and the employment security department in Nevada). All AFDC recipients are required to register for WIN except those with children under 6 years of age, children under 16 or between 16 and 21 years of age, enrolled as a half-time student, aged, injured, ill and disabled recipients and those who live too far from state welfare and employment security department offices. As an incentive for AFDC recipients in WIN to continue with their employment a portion of their income is disregarded when recomputing their AFDC grant. The "30 and a third" work disregard enables a recipient to take a job without immediately being terminated from AFDC. Recipients who are required to participate in WIN, but do not, immediately lose their grant. The Federal Government provides 90 percent of the funding under WIN.

At the end of fiscal year 1978 in Nevada, 926 AFDC recipients were required to register for WIN and 381 recipients volunteered to register. Of the total, 954 recipients were placed in jobs. The state welfare division estimates that between December 31, 1976, and June 30, 1979, the WIN program saved \$393,878 in AFDC benefit payments.

C. Child Support Enforcement

The child support enforcement program was enacted in 1975. The objective of the program is to assist states in locating and obtaining child support from absent parents. Child support enforcement is an integral part of the welfare system because frequently a woman is forced to take public assistance when the father, who is usually the principal breadwinner, deserts the family. The state attempts to provide for the mother and her children through child support before providing public assistance. In Nevada, child support collected on behalf of an AFDC recipient is not paid directly to the recipient. The recipient can receive the support payment only when it exceeds their AFDC grant and only when it is in lieu of that grant.

The average monthly child support payment collected under this program in Nevada is \$85. It is distributed under one of the following two methods: 1) the state receives 50 percent and the Federal Government receives 50 percent; or 2) the state receives 50 percent, the Federal Government 35 percent and the assisting county district attorney receives 15 percent.

D. Social Services (Title XX)

Enacted in 1975, Title XX allocates federal funds for a wide variety of social services for the needy. The objectives of social services include: encouraging employability, reducing or preventing dependency on public assistance and strengthening family life. The services offered under Title XX include: day care, family planning counseling, protective services, foster care and transportation to work. Fifty percent of these services must be provided for recipients of public assistance and they must meet one of five federally established goals.

The Federal Government provides 75 percent of the funding for Title XX services. Each state must develop a comprehensive annual services plan in order to be eligible for federal funding. The state can, however, choose the social problems to be addressed, the criteria for eligibility to the services provided and the manner in which the services are delivered. In addition, the state can purchase services from private as well as public sources.

SOURCE: Welfare division, Nevada department of human resources and The Book of the States 1979-1980.

Nevada
Participation Statistics
Aid to Families with Dependent Children (AFDC)

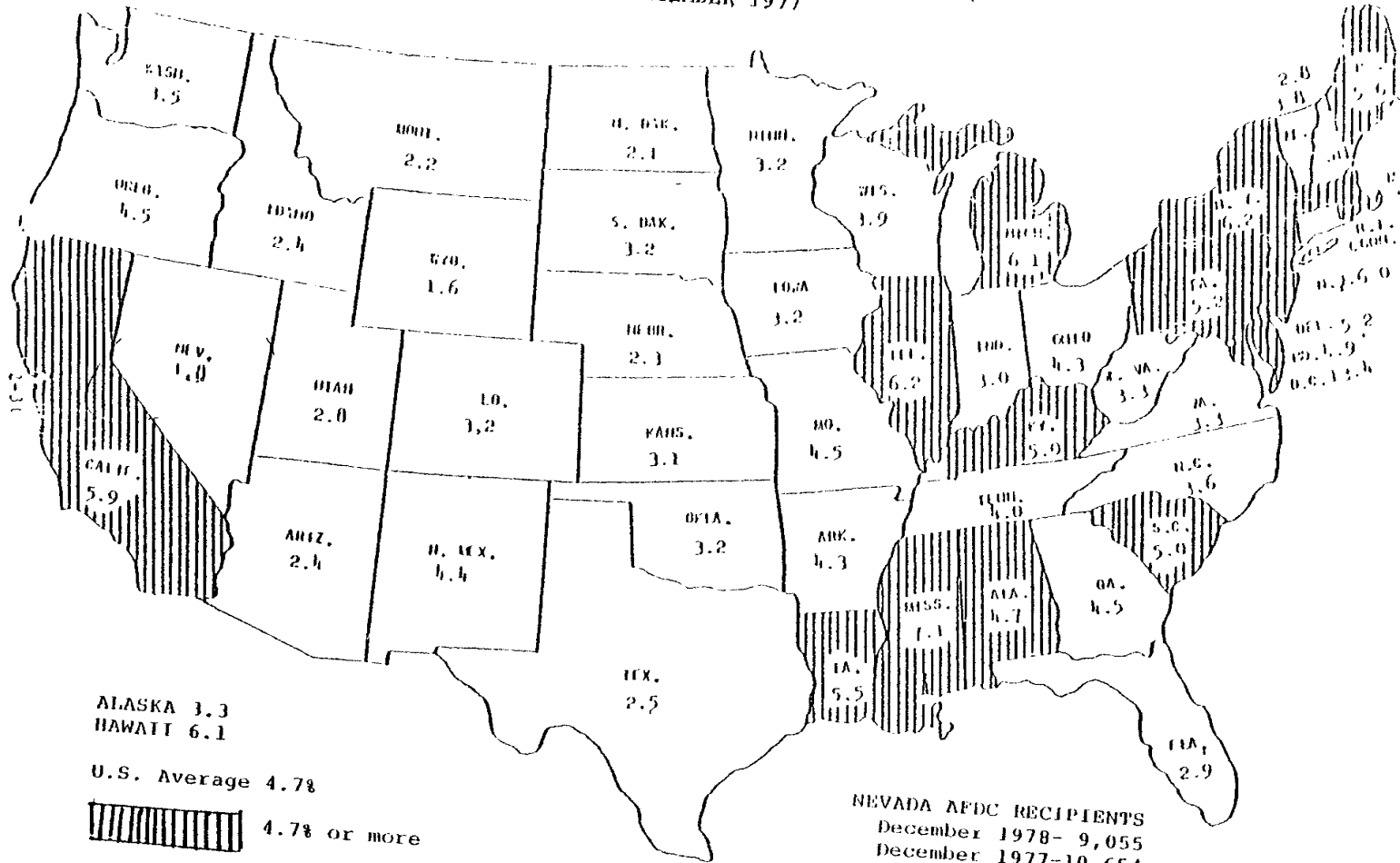
<u>Month</u>	<u>No. of Cases</u>	<u>No. of Recipients</u>
1-77	3993	12,367
2-77	3985	12,176
3-77	3877	12,172
4-77	3842	11,935
5-77	3783	11,611
6-77	3615	11,361
7-77	3578	10,923
8-77	3521	10,872
9-77	3509	10,658
10-77	3480	10,491
11-77	3485	10,604
12-77	3491	10,654
1-78	3486	10,771
2-78	3475	10,312
3-78	3459	10,647
4-78	3424	10,345
5-78	3335	10,215
6-78	3271	9,951
7-78	3145	9,589
8-78	2994	9,365
9-78	2980	9,309
10-78	2891	9,115
11-78	2932	9,268
12-78	2934	9,055
1-79	3043	8,766
2-79	3121	8,961
3-79	3221	9,213
4-79	3242	9,281
5-79	3195	9,058
6-79	3191	9,095
7-79	3328	9,524
8-79	3347	9,607
9-79	3320	10,119
10-79	3322	10,279
11-79	3371	10,335
12-79	3371	10,880
1-80	3553	10,980
2-80	3578	10,938
3-80	3730	11,606
4-80	3956	12,264
5-80	3967	11,918
6-80	3967	11,912
7-80	4047	12,235

Average Monthly AFDC Recipients for 1970-1980

<u>Fiscal Year</u>	<u>Average Number of Recipients per Month</u>
1979-80	10,975
1978-79	9,173
1977-78	11,484
1976-77	12,450
1975-76	15,451
1974-75	13,939
1973-74	13,338
1972-73	14,570
1971-72	15,016
1970-71	16,479

SOURCE: Welfare division, Nevada department of human resources.

PERCENTAGE OF POPULATION RECEIVING
AID TO FAMILIES WITH DEPENDENT CHILDREN
- DECEMBER 1977



NEVADA AFDC RECIPIENTS
December 1978- 9,055
December 1977-10,654
December 1976-11,850
December 1975-13,137

APPENDIX B

PROGRAM STATEMENT EMPLOYMENT TRAINING SPECIALIST UNIT

APPENDIX B

Program Statement Employment Training Specialist Unit

The employment training specialist unit, more commonly known as ETS, serves the purpose of an employment agency within the Nevada state welfare division. The goal of this unit is to place current and potential welfare recipients in vocational training programs located in the community and/or to find them jobs. Through the receipt of these services, our clients are able to become either self-supporting or self-sufficient allowing many to leave the "welfare rolls".

The training and employment resources utilized by this unit are developed through contacts with community agencies and employers. In the area of training, this unit is in contact with such training-oriented agencies as CETA (Comprehensive Employment Training Administration), WIN, vocational rehabilitation, the community college, etc. Through such contacts, the ETS staff identifies available vocational training programs and their administration requirements.

Since the primary emphasis of this unit is to place clients on jobs, this unit is continuously seeking out unfilled jobs in the various areas of employment such as casino work, private business, and other governmental agencies. These contacts are made through meetings with potential employers and telephone calls. Through these contacts, the employer learns of the unit, its goals and of potential employees. Because of these contacts, these employers are willing to call and hire the clients of this unit. In addition to this type of job development, this unit also utilizes other resources such as the employment security job bank, newspaper advertisements, the unions, etc.

When a client seeking either vocational training or employment, contacts the district welfare office, the client is interviewed by an employment technician. The staff member has the client complete a questionnaire providing personal information and an employment history. The employment technician questions the client carefully regarding their job aspirations, training needs, and barriers to employment such as an absence of housing, food, clothing, child care, etc.

If the client has additional service needs such as those listed above, the employment technician will refer the client to a social worker for assistance in these areas. Upon the completion of the interview, the client is given referrals to the appropriate training program or available jobs for which the client qualifies.

If the client is interested in entering an available training program, the employment technician assists the client in obtaining the necessary forms and completing them. The technician then refers the clients to the agency responsible for the training program. The employment technician then follows up to offer further assistance should it be needed.

If the client is interested in employment, they are given referrals to various employers who have vacant positions. If a client has a particular skill, the employment technician will often contact a specific employer personally to create interest in this particular client. The technician then counsels the client on how to present themselves during the employment interview. The employment technician then continues to work with the client until such time as the client is placed on a job.

This unit, has succeeded in removing individuals from the "welfare rolls" and enabling others to stay off the "welfare rolls" entirely. In addition, some of these clients, although remaining on public assistance, did receive a reduced grant.

SOURCE: Submitted by the welfare division, department of human resources.

NEVADA STATE WELFARE DIVISION
EMPLOYMENT TRAINING SPECIALIST UNIT

Statistics for 1978-1979

1978

	# Clients Interview	# Total Placements	%	# Placed In Jobs	%	# Placed In Training	%
Reno	389	266	68%	217	82%	10	18%
Las Vegas	952	652	77%	525	81%	127	19%
Total	1241	918	74%	742	81%	127	19%

STAFFING FOR ETS PROGRAM (1978)

Technicians	Supervisor	Clerical	Total
4	2	2	8

1979

	# Clients Interview	# Total Placements	%	# Placed In Jobs	%	# Placed In Training	%
Reno	230	155	67%	131	81%	4	3%
Las Vegas	743	425	57%	302	71%	123	29%
Total	973	580	60%	433	76%	127	22%

STAFFING FOR ETS PROGRAM (1979)

Technicians	Supervisor	Clerical	Total
3 1/2	1 1/2	2	7

SOURCE: Welfare division, Nevada department of human resources.

APPENDIX C

PROJECTED COSTS FOR A STATE WORK PROGRAM FY '79

APPENDIX C

Projected Costs for a State Work Program FY 79

Number of Unassigned WIN Mandatory Clients as of 12/31/78	273
Maximum Grant - Family of 3 (average in Nevada)	*\$231.00

Once on work project this amount* would be considered earned income for ADC budgeting purposes per 45 CFR, section 282.47 and would require an expenditure of total state dollars. Example:

Maximum Grant - Family of 3 and considered earned income	\$231.00
1. Minus federally mandated disregards of \$30.00 + 1/3	<u>-97.00</u>
2. Adjusted net earnings	\$134.00
3. Minus FIT & FICA	13.98
Minus:	
4. Work expenses (child care, trans- portation, etc.) This amount varies - using an average figure	<u>70.00</u>
Net Earnings	\$ 50.02
Maximum Grant	\$230.85
Minus Net Earnings	<u>50.02</u>
Additional payment we would have to make to CLIENT (state funds no FFP available)	<u>\$180.83</u>

This would be in addition to original \$231.00 ADC grant for the month.

\$180.83 rounded off to \$181.00 x 273 persons (unassigned WIN mandatories) = \$49,413 per month x 12 months = \$592,956.00 cost per year.

Projected Costs for a State Work Program FY 80

Number of Unassigned WIN Mandatory Clients as of 12/31/78	273
Maximum Grant - Family of 3 (average in Nevada)	*\$248.00

Once on work project this amount* would be considered earned income for ADC budgeting purposes per 45 CFR, section 282.47 and would require an expenditure of total state dollars. Example:

Maximum Grant - Family of 3 and considered earned income	\$248.00
1. Minus federally mandated disregards of \$30.00 + 1/3	<u>102.00</u>
2. Adjusted net earnings	\$145.00
3. Minus FIT & FICA	15.20
Minus:	
4. Work expenses (child care, trans- portation, etc.) This amount varies - using an average figure	<u>70.00</u>
Net Earnings	\$ 60.13
Maximum Grant	\$247.95
Minus Net Earnings	<u>60.13</u>
Additional payment we would have to make to CLIENT (state funds no FFP available)	<u>\$187.82</u>

This would be in addition to original \$248.00 ADC grant for the month.

\$187.82 rounded off to \$188.00 x 273 persons (unassigned WIN mandatories) = \$51,324 per month x 12 months = \$615,888.00 cost per year.

Projected Costs for a State Work Program FY 81

Number of Unassigned WIN Mandatory Clients as of 12/31/78	273
Maximum Grant - Family of 3 (average in Nevada	*\$268.00

Once on work project this amount* would be considered earned income for ADC budgeting purposes per 45 CFR, section 282.47 and would require an expenditure of total state dollars. Example:

Maximum Grant - Family of 3 and considered earned income	\$268.00
1. Minus federally mandated disregards of \$30.00 + 1/3	<u>-109.33</u>
2. Adjusted net earnings	\$158.67
3. Minus FIT & FICA	16.43
Minus:	
4. Work expenses (child care, trans- portation, etc.) This amount varies - using an average figure	<u>70.00</u>
Net Earnings	\$ 72.24
Maximum Grant	\$267.90
Minus Net Earnings	<u>72.24</u>
Additional payment we would have to make to CLIENT (state funds no FFP available)	<u>\$195.66</u>

This would be in addition to original \$248.00 ADC grant for the month.

\$195.66 rounded off to \$196.00 x 273 persons (unassigned WIN mandatories) = \$53,508 per month x 12 months = \$642,096.00 cost per year.

SOURCE: Welfare division, Nevada department of human resources.

APPENDIX D

REDUCTION OF FEDERAL FUNDING AND PROGRAMS UNDER
STATE WITHDRAWAL FROM AFDC PROGRAM

APPENDIX D

Reduction of Federal Funding and Programs
Under State Withdrawal from AFDC Program

Programs and Federal Dollars we would lose if no Federal AFDC Program. These figures are from the FY 1979-1980 budget as approved by the 1979 State Legislature.

<u>PROGRAM</u>	<u>STATE DOLLARS</u>	<u>FEDERAL DOLLARS</u>	<u>TOTAL DOLLARS</u>
Child Welfare	1,445,202	704,263	2,149,465
AFDC	3,876,000	3,876,000	7,752,000
Child Protection	12,385	37,153	49,538
Title XX	----	6,044,808	6,044,808
Title XIX-Medicaid	19,233,919	19,609,874	38,843,793
Homemaker Service	96,467	289,403	385,870
Work Incentive Program (WIN)	49,805	45,000	94,805
ESD (90% Federal Funds)		403,245	403,245
Child Support	50,000	1,186,416	1,236,416
Welfare Adminis- tration	<u>2,876,365</u>	<u>5,777,397</u>	<u>8,653,762</u>
Total	27,640,143	38,160,559	65,800,702

SOURCE: Welfare division, Nevada department of human resources.

STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF HUMAN RESOURCES
251 Jeanwell Drive, Capitol Complex
Carson City, Nevada 89710
885-6035

RICHARD M. BRYAN
ATTORNEY GENERAL

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

November 9, 1979

M E M O R A N D U M

To M. Hurst, Chief, Eligibility & Payments

From Michael L. Melner, Supervising Deputy Attorney General
Department of Human Resources *mm*

You have asked for an opinion regarding the legal ramifications of the State of Nevada deleting the ADC Program in Nevada.

I have reviewed 42 USC §601, et seq and can find no language which mandates the State to operate an ADC program. The program in fact is elective. The purpose of the statute is to encourage care of dependent children by enabling each State to furnish financial assistance as far as practicable under the conditions that exist in such state. In other words, the statute is talking about "cooperative federalism". The sums made available under the statute to the states are to be used for "making payments to states which have submitted, and had approved by the Secretary, state plans for aid and services to needy families with children." A state may, therefore, elect to participate but it must participate under those conditions established by the federal government in law and regulation. However, once a state has elected to participate by filing a plan it must comply with mandatory statutes and regulations. Burnam vs. Woods, 139 Cal.Rptr. 4 (1977).

Nevada has chosen to be a participating state. The creation of the program for eligible individuals may have vested a property right in the aid for eligible recipients. If the state were to cancel a congressionally created property right, I believe that there would be substantial threat of litigation based on the State's attempt to divest a right created by the State's participation in a nationally funded program. As I have advised the agency before, 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 aid. The failure of the State of Nevada to participate in and to accept

Opinion Memo to M. Hurst
November 8, 1979
Page 2.

an appropriation for national services could be viewed as causing the denial of vested property rights to certain citizens of the state merely because of their residence in the state. I would anticipate that it could be viewed as a deprivation of equal protection of the law.

I believe that the cancellation of the program would certainly involve litigation. While I do not find that there is any liability to the federal government if the State does not operate a program, the fact that the State has operated such a program and has caused the possible vesting of property rights in eligible recipients creates the strong possibility of a continued legal obligation by State of Nevada to operate a program.

MLM:jw

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 885-562

KEITH ASHWORTH, *Senator, Chairman*
Arthur J. Palmer, *Director, Secretary*

INTERIM FINANCE COMMITTEE (702) 88

DONALD R. MELLO, *Assemblyman, Chairman*
Ronald W. Sparks, *Senate Fiscal Analyst*
William A. Bible, *Assembly Fiscal Analyst*

ARTHUR J. PALMER, *Director*
(702) 885-5627

FRANK W. DAYKIN, *Legislative Counsel* (702) 885-56
JOHN R. CROSSLEY, *Legislative Auditor* (702) 885-56
ANDREW P. GROSE, *Research Director* (702) 885-563

Memorandum

To: J. Kenneth Creighton, Subcommittee on Possible Means of
Employing Continuous Recipients of Welfare

From: Janet L. Wilson, Principal Deputy Legislative Counsel

Date: August 8, 1980

In his memorandum of November 9, 1979, Mike Melner, Supervising Deputy Attorney General for the Department of Human Resources, discussed the legal ramifications of a state's withdrawal from the federally supported AFDC program. You requested that we review and comment on the memorandum.

Mr. Melner suggested that AFDC recipients may have acquired vested property rights in their aid and concluded that "the fact that the State has operated such a program and has caused the possible vesting of property rights in eligible recipients creates the strong possibility of a continued legal obligation by [the] State of Nevada to operate a program."

The legislative counsel disagrees with this opinion. We believe that the state could withdraw from the AFDC program without legal obligation to the recipients.

APPENDIX E

MEMO

AVERAGE DURATION OF AN AFDC CASE IN NEVADA

MEMO

Average Duration of an AFDC Case in Nevada

DATE: 1 November 1979

TO: K. Creighton, Research Analyst,
Legislative Counsel Bureau

FROM: George E. Miller, Welfare Administrator

SUBJECT: STATISTICS FOR ACR 42 COMMITTEE

Listed below are statistics requested by the above referenced committee relative length of time of ADC recipients on the program.

NUMBER AND PERCENT OF ADC CASES AND TIME PERIODS ON ADC PROGRAM

2311 cases or 70% 1 year or less

1920 cases or 59% 9 months or less*
41% 6 months or less*
21% 3 months or less*

(* these percent are part of the 70% - 1 year or less)

479 cases or 15% more than one year but less than 2 years

243 cases or 7% more than two years but less than 3 years

100 cases or 3% more than three years but less than 4 years

50 cases or 1% more than four years but less than 5 years

22 cases or 1/2% more than 5 years but less than 6 years

23 cases or 1/2% more than 6 years but less than 7 years

19 cases or 1/2% more than 7 years but less than 8 years

13 cases or 1/3% more than 8 years but less than 9 years

22 cases or 1/2% more than 9 years but less than 10 years

16 cases or 1/3% more than 10 years but less than 11 years

9 cases or 1/3% more than 11 years but less than 12 years

1 cases - % negligible more than 12 years

As you can see the majority of our cases have been on the program one year or less, with only 14% on for more than two years.

Of the total 3278 cases, 42% have never received ADC in Nevada before. Keep in mind that 25% of the 3278 cases or 820 cases are already working.

The numbers listed above are actual figures as of October 19, 1979 nothing has been averaged.

APPENDIX F
SUGGESTED LEGISLATION

.

SUMMARY--Requests Congress to return administration of welfare to states and to provide federal support for welfare programs through system of block grants. (BDR 113)

JOINT RESOLUTION--Requesting the Congress of the United States to return the administration of welfare programs to the states and to provide federal support for welfare programs through a system of block grants.

WHEREAS, The justification offered for federal support of welfare programs in the several states is that it marshals the resources of the entire nation for the support of the needy without regard to their location; and

WHEREAS, The prescription by the Federal Government of the methods of administering these programs and the allocation of amounts to be used for each category of recipients has led to the application in some states of standards appropriate only to others, and has added to the cost of administration without increasing the benefit to the recipient; and

WHEREAS, It is clearly the individual states which are better able to know the needs of their residents, to separate the deserving from the malingering and to provide appropriate incentives and requirements for the training and employment of recipients; and

WHEREAS, Each state could effectively use this knowledge to formulate a method of administering its own welfare program to meet the needs of its recipients to the fullest extent at the

least cost, and could to the extent appropriate in each state afford even greater flexibility by delegating authority to local governments close and responsive to the people; and

WHEREAS, These considerations can be effectively reconciled by retaining the nationwide base of support while taking fullest advantage of local knowledge in the distribution of aid; now, therefore, be it

RESOLVED BY THE AND OF THE STATE OF NEVADA, JOINTLY, That this legislature requests the Congress of the United States to enact legislation which would return the administration of welfare programs to the states and would provide federal support for welfare programs through a system of block grants whereby the states would be given the flexibility they need but would retain a nationwide base of support; and be it further

RESOLVED, That a copy of this resolution be immediately transmitted by the legislative counsel to the President of the United States, the Vice President as presiding officer of the Senate, the Speaker of the House of Representatives, the members of the Nevada congressional delegation and the Secretary of Health and Human Services; and be it further

RESOLVED, That this resolution shall become effective upon passage and approval.