

DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION

Legislative Counsel Bureau

February 1969

Bulletin No. 84

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Legislative Commission

Senator B. Mahlon Brown
Senator Carl F. Dodge
Senator James I. Gibson
Senator Archie Pozzi, Jr.

Senator Marvin L. White
Assemblyman Melvin D. Close, Jr.
Assemblyman Zelvin D. Lowman
Assemblyman James E. Wood

Senate Concurrent Resolution No. 5 (1967)

SENATE CONCURRENT RESOLUTION--Directing the legislative commission to make a study of the activities and services of the welfare division of the department of health and welfare.

WHEREAS, The welfare division of the department of health and welfare determines the amount of economic aid furnished to dependent children, blind persons, certain needy persons 65 years of age and older, and other qualified persons; and

WHEREAS, Economic aid furnished to qualified recipients depends on living standards and such standards may be difficult to ascertain or be determined arbitrarily; and

WHEREAS, All of the activities of the welfare division directly affect the well-being of many responsible Nevada citizens; and

WHEREAS, Certain members of the legislature have been informed that cases of inadequate aid exist; and

WHEREAS, It is fitting that the legislature should be concerned with the protection of qualified recipients of state economic aid; now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the legislative commission is hereby directed to conduct a study of the activities and services of the welfare division of the department of health and welfare, and report the results of such study and make recommendation for specific legislation to the 55th session of the legislature of the State of Nevada.

Report of the Legislative Commission

To The Members of the 55th Session of the Nevada Legislature:

The study of the activities and services of the welfare division of the department of health, welfare and rehabilitation directed by Senate Concurrent Resolution No. 5 (1967) was assigned by the legislative commission to a subcommittee appointed for the purpose.

On September 26, 1968, the subcommittee presented a preliminary report to the legislative commission, which report was followed by its revised final report dated January 30, 1969. The revised final report has been accepted by the legislative commission and is transmitted to you as the commission's report.

The constructive assistance of all members of the subcommittee is appreciated. Both lay and legislative members contributed their time freely to produce a worthwhile study. The members of the subcommittee were:

Senator Procter R. Hug (Chairman)
Reno, Nevada

Assemblyman Austin H. Bowler
Las Vegas, Nevada

Assemblyman Eileen B. Brookman
Las Vegas, Nevada

Assemblyman Margie Foote
Sparks, Nevada

Senator Coe Swobe
Reno, Nevada

Assemblyman Woodrow Wilson
Las Vegas, Nevada

John R. Miller
Reno, Nevada

Rev. Charles T. Shallow
Las Vegas, Nevada

Leslie A. Moren, M.D.
Elko, Nevada

Respectfully submitted,

Legislative Commission
State of Nevada

Carson City, Nevada
February 1969

REPORT OF THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE
FOR STUDY OF THE WELFARE DIVISION

TO THE LEGISLATIVE COMMISSION OF THE STATE OF NEVADA:

Initially, the subcommittee directs your attention to the next-to-last paragraph of Part VI of its report. We feel this recommendation is significant, and we do not want it to become lost in the report.

I. Introduction

Your subcommittee, appointed to carry out the mandate of Senate Concurrent Resolution No. 5, which directs the Legislative Commission to make a study of the activities and services of the Welfare Division of the Department of Health, Welfare and Rehabilitation, respectfully submits the following report, which includes our findings and recommendations.

In addition, our subcommittee requested that the Fiscal Analyst supply us with figures estimating the comparative costs over the next five years of:

1. Staying with the federal welfare program, meeting all federal requirements and receiving matching funds as available. This assumes no change in the federal program except changes already enacted with future effective dates.
2. Adopting a state program providing the same benefits now offered under the same rules of eligibility, without federal matching funds, but without any federally mandated increase in benefit levels or eligibility.

The Fiscal Analyst, Mr. Robert E. Bruce, has informed us that figures for a reliable estimate will not be available until September or October, and that projections prepared at this time would be meaningless. He recommends that the requested estimates be prepared by him in November or December, to be submitted as a supplemental report of the subcommittee in January 1969. This will be done.

As pointed out in our preliminary report we studied the audit of the Fiscal Analyst and discussed it with him, as well as with the Director of the Department of Health, Welfare and Rehabilitation. Meetings were held with the State Welfare Administrator, a representative of the federal Department of Health, Education, and Welfare, caseworkers, welfare recipients and many others. In brief, the following items were treated in that report:

1. Many people because of age, physical handicaps, illness and marital problems are unable to provide the necessities of life for themselves or families. We feel that while there are some who take advantage of the welfare programs, by far most recipients would much prefer to be earning their own livelihoods if jobs and opportunities were available within their capabilities.
2. There exists the hard core of unemployables, who, because of various reasons, will never be employed. However, we believe that in this country, the richest in the world, everyone is entitled to a decent subsistence, or opportunities to provide for himself and his family.

3. How far Nevada can go in support of various welfare programs depends, of course, upon its financial ability, help from the Federal Government and the willingness of its people to support such programs.
4. The audit of the Welfare Division covered the fiscal year ending June 30, 1967, which was prior, except for six months, to the time the present administrative heads took office.
5. The audit report of the Welfare Division indicates noncompliance with the statutes in some cases and with the division manual in other cases, and also that recommendations in previous audits had not been implemented.
6. A meeting between Mr. Karl Harris, Director of the Department of Health, Welfare and Rehabilitation, and Mr. Robert Bruce, Fiscal Analyst, however, indicated a cooperative spirit. Mr. Harris felt many of the recommendations could and would be implemented. Mr. Harris did, however, point out the difficulties involved and the reasons for not implementing some of the recommendations.
7. Our subcommittee felt that, even though recommendations might be made by the Fiscal Analyst, in some cases the Welfare Division should not necessarily have to follow them. When there existed a difference of opinion of what was best and possible, the opinion of the Fiscal Analyst might not necessarily be right. Auditing the division is one thing and administering it with all its problems in personnel and finances is another. There is no question but that there should be implementation when there is noncompliance with a statute.
8. Noncompliance and other criticisms contained in the audit in many cases seem to stem from the fact that caseworkers either do not fully understand the rules and regulations pertaining to the program or, as the audit points out, they are disregarding the findings of their resource verifications. The administration of the Welfare Division acknowledges that the turnover of caseworkers is high, partially because of salary conditions, but more because of frustration. Efforts are being made to train personnel and revise the policy manual into sections that would be more helpful and easily understood by the caseworkers, the administrator said.
9. We discussed at length the trend of the welfare load, and because of its importance we include in this report the same statements that were made in the preliminary report.

Mr. Karl Harris expressed the opinion that compared to many other states Nevada has a very modest program. Nevada ranks 18th in the amount paid per recipient for old-age assistance, 11th for aid to the blind and 34th in aid to dependent children. Nevada has no program for aid to permanently and totally disabled (APTD), or aid to families with dependent children (unemployed-parent segment). There seems to be considerable support for the APTD program. Statistics show that this program cost Wyoming \$62,900 last year, approximately two-thirds of which was paid by the Federal Government.

Advance release of statistics on public assistance from the Department of Health, Education and Welfare (social and rehabilitation service) show an increase, on a nationwide scale, in the number of recipients in all areas of public assistance. It was reported that in Nevada the number of recipients of aid to dependent children is increasing faster than the population.

With increasing numbers of participants in all programs, continuing inflation and the probability and need for raising amounts given to recipients, it can very definitely be said that under present programs the welfare costs will continue to rise. In addition, matching funds of the Federal Government tend to go down in many programs while the state share goes up. An example of this is the Title V program, which at first provided for 100 percent funding by the Federal Government, 90 percent the second year and, beginning in July 1968, only 80 percent federal funding will be available. However, up to now and even next year the state share of 20 percent for the Title V program can be provided "in kind," but it is doubtful as to what will be the case in another year. Nevada will have to watch programs in which the federal share becomes less and the state share more, and a determination will have to be made as to whether the state will be able to continue such programs.

Recent federal legislation will have a definite effect on Nevada's welfare programs and costs, the extent of which it is impossible to determine at this time. Mr. Phil Hannifin explains this in a letter which he wrote to Senator Hug, in which he states:

The 1967 session of Congress passed more social legislation than any Congress since 1935. Much of this legislation, while theoretically designed to begin the reduction of Welfare roles, will cause an immediate increase in the costs of the various Welfare programs. The Nevada State Welfare Division is currently struggling to gain detailed information from the federal Department of Health, Education, and Welfare concerning all of this new legislation. Detailed information is extremely hard to get, and we are not yet ready to guess at what the overall cost increase will amount to for our own State operations.

Welfare programs throughout the country show an increase in all areas, with relief being provided in many circumstances never before considered, to the point that most states are finding the costs reaching frightening proportions. Economists have studied and offered substitute programs, the most notable of which is the "negative income tax," as a means of providing a guaranteed annual income. While even the mention of a guaranteed annual income is repugnant to many people, the idea seems to be gaining in favor as a means of replacing the welfare program. This subcommittee has no thoughts on this matter but merely mentions it because it may be something to consider in the future.

10. We discussed at length, and included in the preliminary report: The abuses in all the various welfare programs, aid to dependent children, responsibility of law enforcement officials,

adoptions, caseworker errors and aid to the permanently and totally disabled persons. On some of these items we have made recommendations.

11. Our subcommittee feels that the turnover of personnel, not only on the caseworker and county levels but in the top administrative level, is a great handicap to effective administration of the entire welfare program. As an example, our subcommittee felt that important strides were being made under the direction of Mr. Hannifin. Now he has left his position as State Welfare Administrator. Even though his position will undoubtedly be filled by a competent person, the constant change does not bring about the most effective results.

We have considered the recommendations of the Fiscal Analyst and the State Welfare Administrator and make specific recommendations as follows:

II. Aid to Dependent Children

This program has already experienced financial troubles. The problem is a result of the fact that in preparing the budget for the last general session of the legislature, the amount of the appropriation requested to fund the program was based on a projected number of persons, 6,600, that would require aid to dependent children assistance during the biennium; however, at the present time there are 8,279 persons being served by the program. A large portion of these have illegitimate children in the home. (Of 371 ADC files reviewed during the audit, 317 had illegitimate children in the home.) It was suggested that aid could be denied a recipient for the second or third illegitimate child borne by her, but this would be in violation of federal regulations and would jeopardize the federal participation in the program. Imposing mandatory reference to birth control clinics was then suggested, but it was decided that the present law, which makes such services available to those who desire it, is sufficient.

It has been announced that the Health Division was in the process of establishing a referral program in the sparsely populated counties. Under such a program there will not be birth control clinics per se, but instead, persons will be referred to physicians for aid and information.

III. Lack of Day Nurseries

Members of this subcommittee met with several mothers who are receiving benefits under the aid to dependent children program. The mothers stated that if there were day nurseries where they could afford to leave their children they would be in a position to secure employment. Several of them said they felt they could secure employment if they had some place to care for their children. They pointed out that the law would not allow them to start a cooperative nursery to care for their own children, but that a qualified teacher and director operating under certain regulations was necessary. Under the WIN program which Nevada is required to adopt by July 1, 1969, day care centers for working ADC mothers must be provided by the welfare division.

IV. Assistance Obtained by False Means

Of great concern was the problem of receipt by welfare recipients of overpayments resulting from the failure of the recipients to inform the division of changes in their living situations or financial circumstances. The recipient involved only once in such a situation is not the reason for the concern, but those recipients who receive overpayments for the second, third or even fourth time. Restitution from those persons is impractical, and under federal regulations, deductions cannot be made from current welfare benefits. In most cases where there are multiple overpayments to one recipient there is a definite indication of fraud. At this point it was suggested that word of criminal prosecutions against a few of these recipients would soon spread through the welfare community and have a deterrent effect. The subcommittee recommends that a criminal penalty of a gross misdemeanor be imposed against any recipient involved in a situation of this nature where fraud is indicated.

Also, the audit of the Fiscal Analyst points out that there is no statutory authority for the division to require restitution of aid received by false means by recipients of old-age assistance; and chapter 427 of NRS does not provide for a penalty for obtaining assistance by false means.

The audit recommends that a provision be added to chapter 427 of NRS similar to that contained in chapter 425 covering (Aid to Dependent Children). The subcommittee concurs in this recommendation. (See Appendix A.)

V. Responsibility To Pursue Nonsupporting Parents

Under present statutes, there has been some confusion as to whether the Attorney General or the district attorneys have the responsibility for taking action to establish paternity and to pursue nonsupporting parents. It was decided that the statutes should be clarified to give this responsibility to the district attorneys. (See Appendix B.)

VI. Relative Responsibility

Subsection 1 of NRS 422.310 states in part, "* * * children of an applicant for or recipient of public assistance, if of sufficient financial ability to do so, are liable for support of such applicant or recipient." The division has a form to be completed by responsible relatives, in order to determine their financial responsibility in accordance with the contribution scale set forth in NRS 422.320. This form is to be sent to such relatives at the time of initial application and annually thereafter.

NRS 422.340 states in part:

The welfare division shall advise the attorney general of the failure of a responsible relative to contribute to the support of a recipient of public assistance as required by law. The attorney general shall cause appropriate legal action to be taken to enforce such support, and in addition may collect a reasonable fee which shall be added. * * *

However, in response to a notification of the failure of a relative to return the form, the Deputy Attorney General advised the division administrator that "In the opinion of counsel, there is no obligation at common law or under our statute for a child to support a parent, whether that parent is or is not a welfare recipient."

The Legislative Counsel advised that the case upon which the Deputy Attorney General based his opinion is not applicable to the problem at hand, and that further:

Under the separation of powers doctrine it is the function of the judiciary to rule on the constitutionality of statutes. The office of Attorney General is in the executive branch * * *.

* * * whether or not the statute is valid, the Attorney General has a mandatory duty under NRS 422.340 to enforce it until the courts determine it to be invalid.

Therefore, this subcommittee recommends that the Legislative Commission take steps to clarify the matter by either recommending that the statutes be changed or by taking legal action to compel the Attorney General to comply with the mandate of the statutes.

In the course of our investigation the Fiscal Analyst reported that during the audit of the Welfare Division it was discovered that many persons who were required to return responsible relative forms returned such forms uncompleted or made false representations as to the amount of their income. The Fiscal Analyst suggested that the Welfare Division be authorized to enter into an agreement with the federal Internal Revenue Service whereby the Welfare Division could compare the information provided on the responsible relative forms with the information on the income tax returns of such persons. The subcommittee concurs in this recommendation. (See Appendix c.)

VII. Real Property Value

The Fiscal Analyst has noted that chapter 427 of NRS does not state whether or not the value of real property occupied as a home by a recipient of old-age assistance should be limited to a "reasonable value."

We feel that recipients of old-age assistance should be allowed to remain in their homes, regardless of value, until their deaths; however, we propose that a lien, to the extent of the public assistance received, be placed on such property with such lien to be foreclosed upon the death of the recipient. There should also be a provision denying benefits to anyone otherwise eligible who sells his property to his children for less than its marketable value. (See Appendix D.)

VIII. Standards of Need

Under present statutes recipients of benefits under certain programs, such as aid to the blind and old-age assistance, receive greater benefits than, say, recipients of benefits from aid to dependent children, because the "basic needs" criteria vary from program to program. We feel that there should be a standardizing

of the "basic needs" criteria for all welfare programs; however, we are not qualified to specify what such standards shall be.

During our study it was pointed out that under NRS 426.420, a recipient of aid to the blind is entitled to benefits sufficient to meet his "actual need." There is no statutory limitation upon or definition of "actual need"; therefore, we feel that this criterion should be amended out of NRS 426.420. (See Appendix E.)

Under present statutes the "standards of need" criteria are based on the 1954 cost-of-living scale. It is a federal requirement that by July 1, 1969, the "needs standards" must be updated to reflect fully any changes in living costs, and the maximum amounts of money payments must be proportionately adjusted.

At first we were under the impression that this would increase the average grant each recipient would receive; however, as explained to us later, the effect of this is merely to raise the eligibility standards and thereby increase the number of persons eligible for assistance. This committee recommends that the amount of the average grant per person be carefully examined and that consideration be given to raising such grant to provide a recipient with a higher subsistence level and to reflect the rising cost of living.

IX. Adoptions

The question was raised as to whether proper investigations were being conducted in relation to adoptions. Mr. Hannifin, who, at that time, was administrator of the Welfare Division, expressed his confidence in those investigations and related that there was only a small percentage of tentative placements which proved unsuccessful. A checklist developed in Washoe County for the purpose of aiding in the investigations was being made available to other counties. Individual members of the subcommittee, who made inquiries in their own counties, are also of the opinion that the adoption procedures are adequate.

X. Simplified Declaration Policy

The simplified method of determining eligibility was explained to this subcommittee. Under the declaration system the applicant answers questions and supplies the information requested on a declaration form. No investigation is conducted unless something in the declaration form indicates there is a need for one, which avoids intensive investigations. The cost of conducting an investigation of every applicant is not merited by the number of abuses discovered. The value of this system has been questioned, and this subcommittee feels that it would not be desirable to adopt such a system at this time.

Although present federal regulations call for the use of the simplified form in all programs by July 1, 1969, communications from the national office indicate that there will be delays in implementing until further studies are made. Protests from many states have caused the federal office of Health, Education, and Welfare to take this action, which may result in a change in policy regarding the use of the simplified declaration form.

XI. Petty Cash Fund

It was recommended by the Fiscal Analyst that legislation be enacted to authorize for the Welfare Division a petty cash fund in the amount of \$100 and a Title V Work Training emergency revolving fund in the amount of \$1,000. The Title V program is being discontinued July 1, 1969; therefore legislation creating a fund for it would be useless. As to the petty cash fund, this subcommittee concurs in the recommendation. (See Appendix F.)

XII. Purchase of Services

We recommend that the Welfare Division investigate the possibilities of extending purchase of services in areas other than nursing home care.

XIII. Emergency Assistance to Needy Families with Children

Material explaining this program is found in Appendix H. In general, emergency assistance is provided for 30 days within a 12-month period. There is no residency requirement, and the program would take care of families affected by work strikes, migrant workers and others.

XIV. Food Stamp Program

This is another federally sponsored program which is explained in Appendix I. In essence, recipients of welfare must purchase stamps on a scale established by the Federal Government. For example, a person with a monthly income of \$100 or more must use \$20 to purchase stamps equal to \$26. Stamps cannot be used to buy liquor, tobacco or imported foods. The Federal Government would contribute 62 1/2 percent of the costs of such a program. The estimated cost in starting such a program is \$125,000.

On first examination this program seemed to have merit, but after further consideration we were not convinced of its value. We request that information regarding the costs and the problem of administering this program be obtained from the other states which have adopted it.

XV. State Nursing Home

It was suggested that consideration be given to legislation providing for a state nursing home, possibly to be built at the Nevada State Hospital. Assistance for this can be obtained by adoption of the aid to permanently and totally disabled persons program (APTD). The Federal Government will contribute 50 percent of the cost of nursing home care under the APTD program, but under SAMI no such assistance is provided. It was suggested that possibly such a nursing home could be built and operated by private enterprise. Mental retardates, schizophrenics and catatonics might be cared for in such a nursing home.

This subcommittee suggests that the Welfare Division conduct a feasibility study as to the costs and possible sites of such a facility. Subcommittee members feel that, because of the nature of such a nursing home, a site away from the grounds of the state hospital should be selected.

XVI. Aid to Permanently and Totally Disabled Persons

At the present time there is no such program in Nevada, but the Welfare Division is considering recommending the adoption of such

a program in order to relieve some of the costs of Title XIX of the Social Security Act. Disabled persons are currently receiving benefits under Title XIX, but if they received aid under this program, they would no longer receive benefits under Title XIX, and they could receive less expensive care below the nursing home level. If the Welfare Division recommends this program for adoption, we feel the program is of value and would like to see it adopted in Nevada.

XVII. Bureau of Court Services

It was recommended that a Bureau of Court Services be created to provide social work services to the courts on matters concerning dependent children. We are not convinced of the merit in a program of this nature, and we feel that any final determination of this matter should wait until the Committee on Juvenile Concerns, appointed by the Governor, makes its final report on this aspect of its study.

XVIII. Resolution to Congress

In the course of this study it was revealed that whenever federal legislation is passed which creates a new welfare program, such legislation usually directs how the program is to be administered and requires the appointment of a special administrator. In a state with the population of Nevada where the number of welfare recipients is small, it is ridiculous to require that a welfare program be administered here on the same standard as it is in a more populous state. Therefore, we request that a resolution be passed by the Nevada legislature urging the Congress to interfere less with the states in the administering of all welfare programs. (See Appendix G.)

Respectfully submitted,

Legislative Commission's
Subcommittee for Study of the
Welfare Division

September 26, 1968
Revised January 30, 1969

SUMMARY--Allows restitution of overpayments made to welfare recipients, creates rebuttable presumption of fraud and provides penalties. (BDR 38-1355)

AN ACT relating to overpayments to welfare recipients; authorizing restitution of overpayments fraudulently received; creating a presumption; providing a penalty; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE

AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 425.250 is hereby amended to read as follows:

425.250 1. Whoever knowingly obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation or by impersonation, or other fraudulent device, assistance to which he is not entitled, or assistance greater than that to which he is entitled, and with the intent to defeat the purposes of this chapter, shall be guilty of a gross misdemeanor.

2. For the purposes of subsection 1, whenever a recipient of assistance under the provisions of this chapter receives an overpayment of benefits for the third time and such overpayments have resulted from a false statement or representation by such recipient or from the failure of the recipient to notify the welfare division of a change in his circumstances which would affect the amount of assistance he receives, a rebuttable presumption arises that such payment was fraudulently received.

Sec. 2. NRS 427.280 is hereby amended to read as follows:

427.280 1. It is unlawful for any person knowingly to obtain, or attempt to obtain, or aid or abet any person to obtain, by means of a willfully false statement or representation or by impersonation or other fraudulent device, assistance to which he is not entitled or assistance greater than that to which he is justly entitled.

2. It is unlawful for any recipient to dispose of his property without the consent of the welfare division and with the intent to defeat the purposes of this chapter.

3. It is unlawful for any person to aid or abet in buying or in any way disposing of the property, either personal or real, of a recipient of assistance without the consent of the welfare division and with the intent to defeat the purposes of this chapter.

4. Any person violating the provisions of subsection 1 shall be guilty of a gross misdemeanor, and any person violating any of the other provisions of this section shall be guilty of a misdemeanor. In assessing the penalty the court shall take into consideration, among other factors, the amount of money fraudulently received.

Sec. 3. Chapter 426 of NRS is hereby amended by adding thereto a new section which shall read as follows:

1. Whoever knowingly obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation or by impersonation, or other fraudulent device, assistance to which he is not entitled, or assistance greater than that to which he is entitled, with the intent to defeat the purposes of this chapter, is guilty of a gross misdemeanor.

2. For the purposes of subsection 1, whenever a recipient of assistance under the provisions of this chapter receives an overpayment of benefits for the third time and such overpayments have resulted from a false statement or representation by such recipient or from the failure of the recipient to notify the welfare division of the department of health, welfare and rehabilitation of a change in his circumstances which would affect the amount of assistance such recipient receives, a rebuttable presumption arises that such payment was fraudulently received.

Sec. 4. Chapter 427 of NRS is hereby amended by adding thereto the provisions set forth as sections 5 and 6 of this act.

Sec. 5. Whoever, by means of a false statement or representation or by impersonation or other fraudulent device, obtains assistance or aid or aids or abets any person to obtain assistance to which he is not entitled shall make restitution and all actions necessary to secure restitution may be brought against him.

Sec. 6. For the purposes of NRS 427.280, whenever a recipient of assistance under the provisions of this chapter receives an overpayment of benefits for the third time and such overpayments have resulted from a false statement or representation by such recipient or from the failure of the recipient to notify the welfare division of a change in his circumstances which would affect the amount of assistance he receives, a rebuttable presumption arises that such payment was fraudulently received.

Sec. 7. This act shall become effective upon passage and approval.

SUMMARY--Clarifies responsibility of district attorneys in pursuing nonsupporting parent. (BDR 38-1356)

AN ACT to amend chapter 425 of NRS, relating to aid to dependent children, by giving district attorneys responsibility for taking action to establish the paternity of a recipient and for taking legal action against a nonsupporting parent of a recipient of such assistance.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE
AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 425 of NRS is hereby amended by adding thereto a new section which shall read as follows:

1. The district attorney of the county of residence of an applicant for or recipient of assistance, or of a person making application for or receiving assistance on behalf of a child, shall take such action as is necessary to establish paternity of such child and locate, apprehend or take legal action against a deserting or nonsupporting parent of such applicant or recipient.

2. In a county where the district attorney has deputies to aid him in the performance of his duties, such district attorney shall designate himself or a particular deputy as responsible for performing the duties imposed by subsection 1.

SUMMARY--Authorizes director of department of health, welfare and rehabilitation to enter into agreement with Internal Revenue Service. (BDR 38-1357)

AN ACT to amend NRS 422.220, relating to the authority of the director of the department of health, welfare and rehabilitation to enter into contracts with the Federal Government, by specifically authorizing the director to enter into an agreement with the Internal Revenue Service of the United States concerning applicants for and recipients of public assistance and the responsible relatives of such persons.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE
AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 422.220 is hereby amended to read as follows:

422.220 1. The director shall have the power to sign and execute, in the name of the state, by "The Department of Health, Welfare and Rehabilitation," any contract or agreement with the Federal Government or its agencies. This authority includes, but is not limited to, an agreement with the Internal Revenue Service wherein any information received by the welfare division in regard to the personal income of an applicant or recipient of public assistance or aid to the blind or the responsible relative of such applicant or recipient may be compared with the information contained in the federal income tax return filed by such applicant, recipient or responsible relative.

2. For the purposes of this section the term "responsible relative" means any relative, pursuant to NRS 422.310, who is responsible for contributing to the care of an applicant or recipient of public assistance.

SUMMARY--Requires that value of real property occupied as home is not considered in determining eligibility for old-age assistance and attaches lien to such property for amount of assistance received. (BDR 38-1358)

AN ACT to amend chapter 427 of NRS, relating to old-age assistance, by adding new sections providing that the value of real property occupied as a home shall not be used to determine eligibility for assistance; and providing for a lien to attach to such property for the amount of assistance received; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE

AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 427 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. 1. The value of real property occupied as a home by an applicant for or recipient of assistance under the provisions of this chapter shall not be used to determine the eligibility of such applicant for assistance, and such applicant or recipient or the spouse of the applicant or recipient may continue, throughout their lifetimes, to occupy such property as a home; but a lien in favor of the state in an amount equal to the assistance received by such recipient or his spouse during their lifetime shall attach to such property, such lien to be satisfied upon the death of such recipient or the spouse of such recipient:

(a) From the assets of the estate;

(b) By payment of the amount of the lien by a person entitled to inherit such property either under the will of the recipient or the laws of intestate succession; or

(c) From the sale of the property at public auction as other properties are sold in proceedings relating to estates of decedents.

2. If any applicant for or recipient of assistance under the provisions of this chapter sells, gives or otherwise conveys the property described in subsection 1 for less than its fair market value to any of his children, such applicant or recipient shall thereafter be ineligible for aid under the provisions of this chapter.

Sec. 3. Upon the attachment of any lien pursuant to section 2 of this act, the state welfare administrator shall cause such lien to be recorded with the county clerk of the county in which such property is located, and if the property is located in more than one county then such lien must be recorded in each county wherein the property lies.

Sec. 4. This act shall become effective upon passage and approval.

SUMMARY--Deletes criterion of "actual need" in determination of amount of assistance awarded to recipient of aid to blind.
(BDR 38-1359)

AN ACT to amend NRS 426.420, relating to the determination of the amount of assistance to be awarded a recipient of aid to the blind, by deleting the "actual need" criterion; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE
AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 426.420 is hereby amended to read as follows:

426.420 1. If the welfare division of the department of health, welfare and rehabilitation is satisfied that the applicant is entitled to aid under the provisions of NRS 426.010 to 426.500, inclusive, it shall, without delay, issue an order therefor.

2. The individual needs of each person claiming aid to the blind shall be presumed and deemed to be not less than \$100 per month. The amount of aid to which any claimant shall be entitled shall be, when added to the income (including the value of currently used resources, but excepting casual income and inconsequential resources) of the claimant from all other sources, \$100 per month. If, however, in any case it is found [the actual need of a claimant exceeds \$100 per month, such claimant shall be entitled to receive aid in an amount which shall meet such actual need, unless the amount of aid he is otherwise entitled to receive when added to his income (including the value of currently used resources, but excepting casual income and inconsequential resources) from all other sources, shall equal his actual need.] by the welfare division that, after taking into account all other available income and resources, the \$100 a month is insufficient to provide the claimant with a reasonable subsistence compatible with decency and health, such claimant is

entitled to receive aid in an amount which has been determined by the welfare division to be necessary to provide the claimant with such subsistence.

3. The aid granted under NRS 426.010 to 426.500, inclusive, shall be paid monthly, in advance, out of such funds as may be provided for that purpose.

Sec. 2. This act shall become effective upon passage and approval.

SUMMARY--Authorizes petty cash fund for welfare division. (BDR
38-1360)

AN ACT relating to the administration of the welfare division of the department of health, welfare and rehabilitation; authorizing a petty cash fund; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 422 of NRS is hereby amended by adding thereto a new section which shall read as follows:

The welfare division may establish and maintain, from its general appropriation, a petty cash fund in an amount not to exceed \$100, to be used to defray the costs incurred in determining the eligibility of applicants for assistance.

SUMMARY--Urges Congress to refrain from interfering in state administration of welfare programs. (BDR 1361)

SENATE JOINT RESOLUTION--Memorializing the Congress of the United States to refrain from interfering in the state administration of welfare programs.

WHEREAS, The costs of the various welfare programs are rapidly increasing and such increases are due, in part, to the increased costs of administering such programs; and

WHEREAS, The Federal Government in creating a new welfare program or extending an existing program establishes requirements relating to the administration of such programs and often requires that a special administrator be appointed for each program or subdivision of a program; and

WHEREAS, The State of Nevada has a small population and a relatively small number of recipients of public assistance and therefore it is not practical to require that Nevada establish the same pattern of administration as that necessary in a more populous state, and it is needlessly expensive to require that Nevada appoint a special administrator for a program when an administrator of an already existing program could administer both programs effectively; now, therefore, be it

RESOLVED BY THE SENATE AND ASSEMBLY OF THE STATE OF NEVADA, JOINTLY, That the Congress of the United States is urged to interfere less and to give the states more flexibility in the establishment of procedures and policies for the administration of welfare programs; and be it further

RESOLVED, That the Congress is urged to refrain from requiring the appointment of special administrators for all welfare programs; and be it further

RESOLVED, That a copy of this resolution be prepared and transmitted forthwith by the legislative counsel to the President of the United States Senate, the Speaker of the House of Representatives and to all members of the Nevada congressional delegation.

Subject: Emergency Assistance to Needy Families with Children

Purpose: To implement Sections 403(a)(5) and 406(e) of the Social Security Act

Regulations:

A. Requirements for State Plans

A State plan under Title IV, Part A, providing for emergency assistance to needy families with children must:

- (1) Specify the eligibility conditions imposed for the receipt of emergency assistance. These conditions may be more liberal than those applicable to other parts of the plan. (See B (1) below for scope of Federal financial participation.)
- (2) Specify if migrant workers with families will be included and, if emergency assistance will not be available to them State-wide, the part or parts of the State in which it will be provided.
- (3) Specify the emergency needs that will be met, whether mass feeding or clothing distribution are included, and the methods of providing payments, medical care, and other remedial care.
- (4) Specify which of the following services will be provided: information, referral, counseling, securing family shelter, child care, legal services, and any other services that meet needs attributable to the emergency or unusual crisis situations.
- (5) Provide that emergency assistance will be given forthwith.

B. Federal Financial Participation

Beginning with the effective date of approval of the amendment to the State plan for AFDC which provides for emergency assistance to needy families with children pursuant to section 406(e) of the Act:

- (1) Federal financial participation is available for emergency assistance to or on behalf of a needy child under the age of 21 and any other member of the household in which he is living if--
 - (a) such child is (or, within six months prior to the month in which such assistance is requested, has been) living with any of the relatives specified in section 406(a)(1) of the Act in a place of residence maintained by one or more of such relatives as his or their own home,

- (b) such child is without resources immediately accessible to meet his needs,
 - (c) the emergency assistance is necessary to avoid destitution of such child or to provide living arrangements for him in a home, and
 - (d) his destitution or need for living arrangements did not arise because he or such relative refused without good cause to accept employment or training for employment.
- (2) The rate of Federal financial participation in expenditures during a quarter as emergency assistance in accordance with the provisions of an approved State plan is:
- (a) 50 percent of the total amount of such expenditures which are in the form of money payments, payments in kind, or such other payments as the State agency specifies, including loans and vendor payments, or medical or remedial care recognized under State law, with respect to or on behalf of individuals described in (1); and 50 percent of the total amount expended for administration, including costs incurred in determining eligibility, in the payment process, and for other related administrative activities,
 - (b) 75 percent of the total amount of such expenditures which are for the following services provided to individuals described in B (1), directly by staff of the agency, or by purchase from other sources: information, referral, counseling, securing family shelter, child care, legal services, and any other services that meet needs attributable to the emergency or unusual crisis situations.

Federal matching is available only for emergency assistance which the State authorizes during one period of 30 consecutive days in any 12 consecutive months, including payments which are to meet needs which arose before such 30-day period or are for such needs as rent which extend beyond the 30-day period. Another condition for Federal participation is that the State has a reasonable method of determining the value of goods in kind or services provided for emergency assistance.

FOOD STAMP PLAN

The Food Stamp Plan, administered by the Department of Agriculture, was established by Congress in 1961. The objectives of this legislation are twofold: To provide additional food to low income families and to increase the flow of foods from the nation's farms through normal trade channels. Where the program is in effect, it has been found that farmers benefit from extended markets, local business and communities benefit from increased retail sales, and the health of low income families improves since they are able to purchase not only more but a greater variety of food.

Individuals and families are eligible if their income does not exceed the standards of need for persons receiving public assistance. The Welfare Division must certify they meet the requirements. Stamps must be bought based on a scale established by the Department of Agriculture. For example, one person living alone must use \$20 to purchase stamps if his monthly income is \$100 or over. He gets stamps equal to \$26. A family of four with an income of \$155 must use \$56 to buy stamps worth \$86.

Food stamps are used like cash to buy food through retail stores. They cannot be used to buy liquor, tobacco, or imported foods.

The Department of Agriculture certifies retail stores and helps them to meet requirements. They furnish the stamps and pay the state 62% of the costs for staff to certify non-assistance households.

Eligibility is based on household income and the number of persons in the household. Most public assistance households would be eligible. In addition, persons helped by counties, such as disabled persons, or families not eligible for ADC, or with incomes less than the public assistance standard of need would be eligible.

The state would have to certify that persons are eligible, issue stamps, and account for all stamps received to the Department of Agriculture. Adoption of this plan would help the economy of the state by increasing the purchasing power of those in the low income groups.

On first examination this program seemed to have merit, but after further examination we were not convinced of its value. We request that information regarding the costs and the problem of administering this program be obtained from the other states which have adopted it.