

**COMMITTEE ON FINANCE  
UNITED STATES SENATE**

**Harry Flood Byrd, *Chairman***

**APRIL 19, 1961**

**MAJOR DIFFERENCES IN THE PRESENT  
LAW AND H.R. 4884 AS REPORTED  
BY THE COMMITTEE ON FINANCE**

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**COMMITTEE ON FINANCE**

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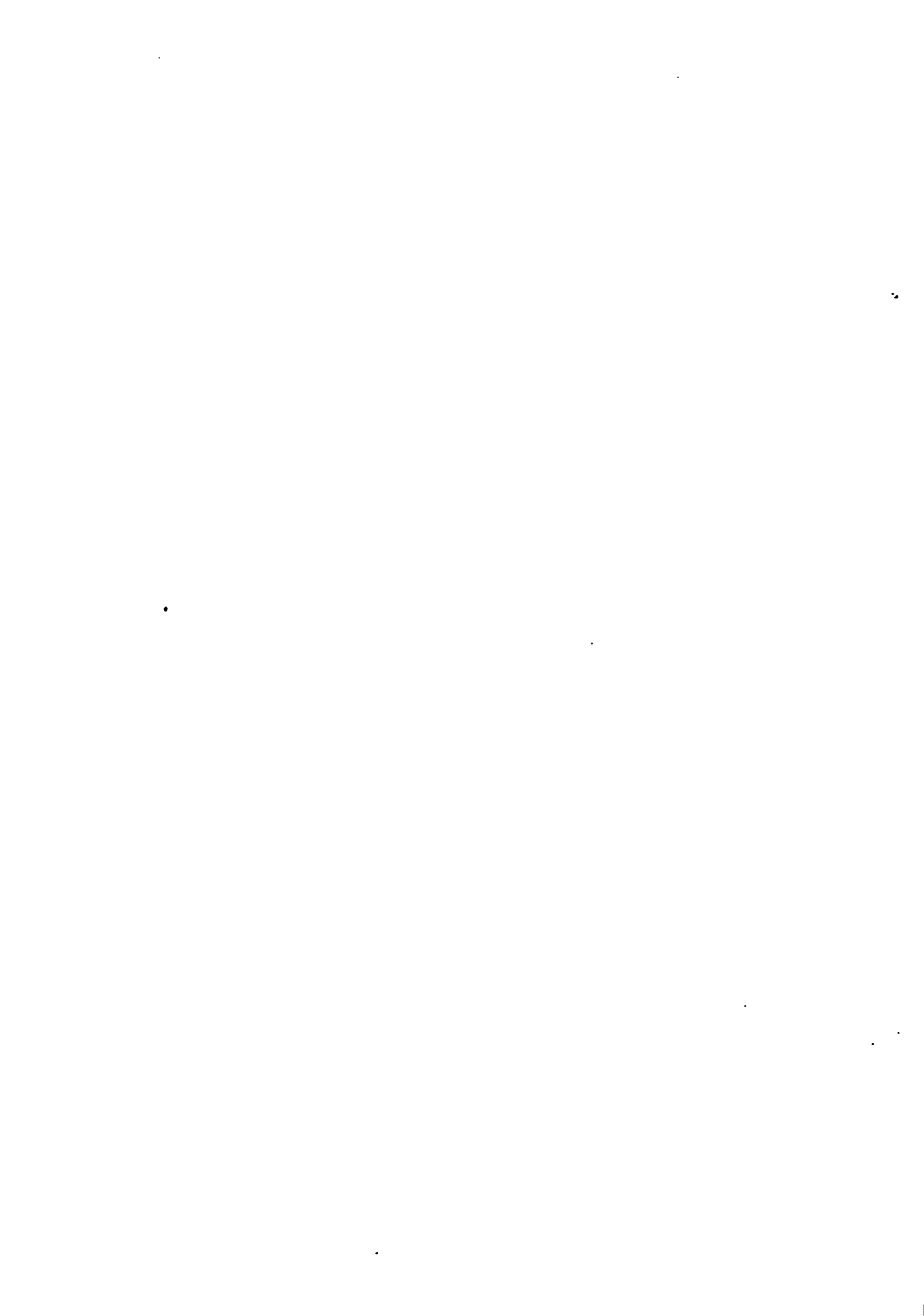
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## AID TO DEPENDENT CHILDREN

(Title IV—Social Security Act)

Item	Existing law	H.R. 4884 as reported
<p><b>I. Temporary extension of program to families with unemployed parent:</b></p> <p><b>A. Eligibility requirements--</b></p> <p><b>B. State plan requirements--</b></p> <p><b>C. Ceiling on Puerto Rico--</b></p>	<p>No provision. Program limited to needy dependent children under 18 (and parent or specified relative with whom they are living) who have been deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent. (Specified relatives include grandmother, grandfather, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, 1st cousin, nephew, or niece.)</p> <p>Various requirements relating to administration by a single State agency, merit system, requirement of fair hearing, notification of law-enforcement agencies in case of deserting parents, etc.</p> <p>The total amount which can be certified to Puerto Rico in any fiscal year for the federally aided public assistance programs is \$9,000,000.</p>	<p>For 14-month period May 1, 1961, through June 30, 1962, adds "by reason of the unemployment of a parent (as defined by State)" as one of the alternative qualifying conditions for children who are deprived of parental support or care.</p> <p>Adds 2 more requirements than State plan: (1) make assurance that assistance will not be granted if, and for as long as, the unemployed parent refuses, without good cause, to accept employment in which he is able to engage and which is offered through either a public employment office or by an employer if the offer is determined by the State agency to be a bona fide offer of such employment, and (2) provide for entering into cooperative arrangements with the system of public employment offices in the State looking toward the employment of unemployed parents, including appropriate provision for periodic registration of the unemployed parent and for the maximum utilization of the job placement and other services and facilities of such offices.</p> <p>Also allows any State, at its option, to provide for exclusion of aid for any month if the unemployed parent receives unemployment compensation under the State's unemployment compensation law for any week any part of which occurs in such month.</p> <p>Raises ceiling to \$9,075,000 for fiscal 1961 and \$9,300,000 for fiscal 1962. (The dollar limitation for fiscal 1962 appears as \$9,425,000 in sec. 7 of bill reflecting the increase for the old-age assistance medical program.)</p>
<p><b>II. Temporary program of Federal payments for foster home care of dependent children:</b></p> <p><b>A. Eligibility requirements--</b></p>	<p>No provision—Program limited to children living in a home of a parent or relative specified above.</p>	<p>For period beginning May 1, 1961, and ending June 30, 1962, allows Federal payments with respect to any child otherwise not eligible who—</p> <ol style="list-style-type: none"> <li>(1) is removed after April 30, 1961, from home of specified relative as a result of a judicial determination that continuation therein would be contrary to his welfare;</li> <li>(2) is placed in a foster family home (approved by the State) as a result of such determination, and</li> <li>(3) was receiving aid under the State aid to dependent children program in the month when court proceedings were started, and for whose placement and care the State agency administering the program is responsible.</li> </ol>

## AID TO DEPENDENT CHILDREN—Continued

(Title IV—Social Security Act)—Continued

Item	Existing law	H.R. 4884 as reported
<p>II. Temporary program—Con. B. State plan requirements.....</p>	<p>Same as above.....</p>	<p>State plans with respect to this program must also—</p> <p>(1) include aid for any child meeting the above requirements, and</p> <p>(2) include provision for development of a plan for each such child (including periodic review of the necessity for the child's being in a foster family home) to assure that he receives proper care and that services are provided which are designed to improve the conditions in the home from which he was removed or to otherwise make possible his being placed in the home of a specified relative, and</p> <p>(3) provide for use by the State agency, to the maximum extent practicable, in placing such a child in a foster family home, of the services of employees of the State public welfare agency or of any local agency participating in the administration of the State's plan for child welfare services under title V of the Social Security Act.</p>
<p>III. State "suitable home" statutes..</p>	<p>The Secretary of Health, Education, and Welfare is authorized to withhold Federal payments with respect to a State plan which fails to comply substantially with any provision required to be included in the plan.</p> <p>The Department of Health, Education, and Welfare in January 1961 advised the State agencies administering aid to dependent children programs that after June 30, 1961, grants to States would not be available if the State terminated assistance to children in a home determined to be unsuitable unless the State made other provision for the children affected.</p>	<p>Extends beyond June 30, 1961, the grace period for States with "unsuitable homes" statutes for compliance with the Department's ruling. For each State the period extends until the 61st day following the day which ends the 1st regular session of a State's legislature convening after enactment of this provision. During this period any action taken pursuant to a State statute which requires that aid be denied to a child because of conditions in the home where he resides, would not be a basis for withholding Federal payments to the State.</p>
<p>IV. Name of program.....</p>	<p>Aid to dependent children.....</p>	<p>Changes name to "Aid to Families With Dependent Children."</p>

## MEDICAL CARE FOR RECIPIENTS OF OLD AGE-ASSISTANCE

(Title I—Social Security Act)

<p>I. Matching formula—Federal share.</p>	<p>The following formula is applicable to State expenditures which include both money payments and vendor payments to providers of medical services on behalf of old-age assistance recipients:</p> <p>Federal matching share is \$24 of the 1st \$30 (% of the 1st \$30) with matching up to \$65 a month (times the number of people on old-age assistance rolls on an averaging basis) varying from 50 to 65 percent. States whose per capita income is equal to or above the per capita income for the United States have 50 percent Federal matching, while those States below the national average have</p>	<p>No change.</p>
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*Special medical matching*-----

Federal matching which varies up to a maximum of 65 percent.

In addition the law provides Federal financial participation exclusively for expenditures to vendors of medical services of up to \$12 per month in addition to the \$65 maximum provision.

For States with average monthly payments *over \$65*, the ceiling can thus be increased to \$77 if the \$12 earmarked for medical vendor payments is added on top of the existing \$65 maximum. The Federal share in the excess expenditures for medical care ranges from 50 percent to 80 percent under the formula based on per capita income.

For States with average monthly old-age-assistance payments of *\$65 or less* the Federal share in average vendor medical payments up to \$12 is an additional 15 percentage points over the Federal percentage applicable to the amount of payments falling between \$30 and \$65. This percentage, when added to the Federal percentage for the second part of the formula for payments, gives a total Federal share of from 65 to 80 percent for the additional \$12.

Provision is also made so that a State with an average payment of over \$65 a month would never receive less in additional Federal funds in respect to such medical service costs than if it had an average payment of \$65.

Increases from \$12 to \$15 the maximum amount on which there can be Federal financial participation exclusively in expenditures to vendors of medical services in addition to the \$65 maximum provision.

Changes \$77 to \$80 and \$12 to \$15.

Changes \$12 to \$15.

Effective: Expenditures made after June 30, 1961.

No change.

Increases additional matching for vendor medical expenditures to \$7.50 per month per recipient.

Effective: Expenditures made after June 30, 1961.

Changes dollar limitation in the following manner:

Puerto Rico .....	\$9,125,000
Virgin Islands .....	318,750
Guam .....	425,000

(The dollar limitation for fiscal 1962 appears in sec. 7 as \$9,425,000 for Puerto Rico reflecting the temporary increase for the aid to dependent children program.)

Of these amounts, however, the following amounts may be used only for medical vendor payments for old-age assistance:

Puerto Rico .....	\$625,000
Virgin Islands .....	18,750
Guam .....	25,000

Effective for fiscal year 1962 and thereafter.

II. Puerto Rico, Virgin Islands, and Guam:

A. Special matching formula-----

Federal matching on a 50-50 basis on both money and vendor medical payments up to a maximum of \$35 times the number of recipients of old-age assistance.

*Special medical matching*-----

Additional matching for vendor medical expenditures will be on amounts up to an additional \$6 per month per recipient. Federal share is 65 percent.

B. Dollar limitation-----

Total Federal payments for all public assistance programs may not exceed the following amounts in each fiscal year:

Puerto Rico .....	\$9,000,000
Virgin Islands .....	315,000
Guam .....	420,000

Of these amounts, however, the following amounts may be used only for medical vendor payments for old-age assistance:

Puerto Rico .....	\$500,000
Virgin Islands .....	15,000
Guam .....	20,000

## TRAINING GRANTS FOR PUBLIC WELFARE PERSONNEL

(Title VII—Social Security Act)

Item	Existing law	H.R. 4884 as reported
I. Purpose of authorization.....	To assist the administration of public assistance programs by increasing the number of trained public welfare personnel. Funds may be used for (1) grants to public or other nonprofit institutions of higher learning for training personnel employed or preparing for employment in public assistance programs, (2) special courses of study or seminars of short duration conducted for such personnel and (3) establishing and maintaining, directly or through grants to such institutions, fellowships or traineeships for such personnel. Allotments to States based on population, need for personnel and financial need.	No change.
II. Duration of authorization.....	Authorizes the appropriation of whatever sum Congress determines through fiscal 1962.	Extends authorization through fiscal 1963.
III. Federal matching share.....	80 percent for all States.....	100 percent for all States, effective for fiscal 1962 and thereafter.

## UNEMPLOYMENT COMPENSATION

(Title IX—Social Security Act)

I. Administrative expenditures with respect to temporary extended unemployment compensation and other employment security programs.	Authorizes the appropriation of such amounts as Congress deems appropriate for necessary expenses of the Department of Labor in performing its functions under the Social Security Act, the Federal Unemployment Tax Act, and any Federal unemployment compensation law, except the 1958 Temporary Unemployment Compensation Act.	Authorizes the reimbursement of a State for salaries and other expenses of employees of such State temporarily assigned or detailed to duty with the Department of Labor, and payment of travel expenses, transportation of household goods, and per diem in lieu of subsistence while away from their regular duty stations in the State for such employees, at rates authorized by law for civilian employees of the Federal Government.
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