91st Congress
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COMMITTEE PRINT

MATERIAL RELATED TO ADMINISTRATION REVISION OF H.R. 16311

PREPARED BY THE STAFF

OF THE

COMMITTEE ON FINANCE
UNITED STATES SENATE
RUSSELL B. LONG, *Chairman*

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MATERIAL RELATED TO ADMINISTRATION REVISION OF H.R. 16311

CHART 1
WELFARE RECIPIENTS UNDER PRESENT LAW AND H. R. 16311

In January 1970, about 10 million persons received Federally shared cash assistance payments. More than 7 million of these persons were in families with dependent children, while the rest were aged, blind or disabled.

The Department of Health, Education and Welfare estimates that under H. R. 16311 in 1971, 24 million persons would receive welfare (the bill would not actually be effective until fiscal year 1972). About 21 million of these persons would be in families with children; the remainder would be aged, blind and disabled persons. Most of the persons newly eligible for family assistance benefits would be in families headed by a working father.

Under the Administration revision, the Department also estimates that 24 million persons would receive welfare payments. While a number of persons would be cut off the rolls under the Administration revision, others would be eligible for the first time under a new provision in the Administration revision requiring that an amount equal to Federal income tax payments be disregarded in calculating welfare eligibility.

Welfare Recipients Under Present Law and H.R. 16311

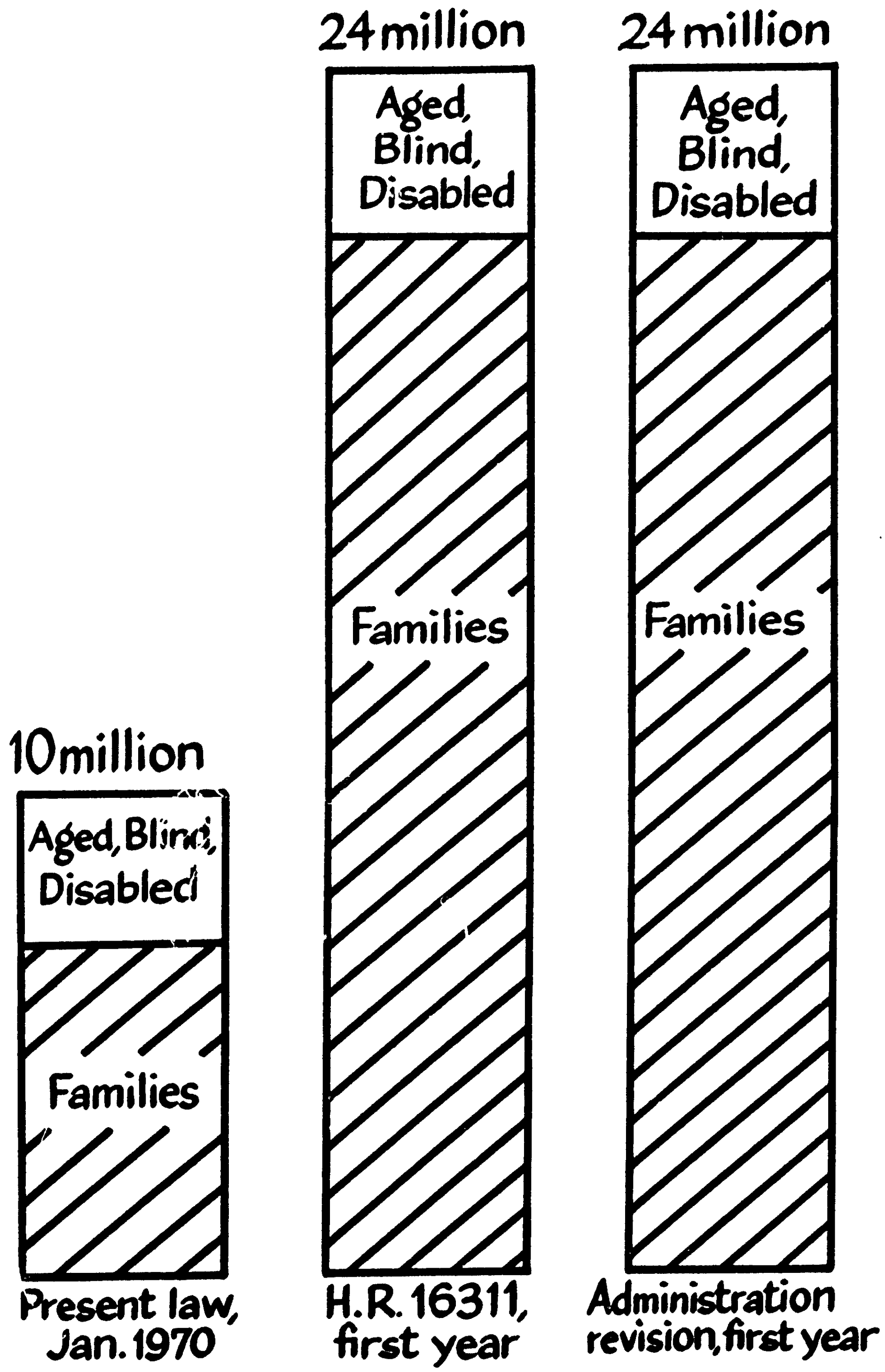

CHART 2

IN 16 STATES, MORE THAN 15% OF THE POPULATION WILL BE ON WELFARE UNDER THE ADMINISTRATION REVISION

In January of 1970, more than 10 million persons were receiving cash public assistance under Federally-aided welfare programs. This represents 5 percent of the total United States population of 204 million persons. The Administration revision will more than double the welfare rolls, bringing the number of recipients to 24 million, or 12 percent of the population. For the most part, the increase in the number of persons on welfare results from the extension of assistance to families where the father is employed. On a State-by-State basis the percentage of the population on welfare will range from 5 percent in Utah to 35 percent in Mississippi. As shown on this chart, there will be 16 States in which 15 percent of the population or more are on welfare. Table 1 in the appendix shows the proportion of the population on welfare by State.

In 16 States, more than 15% of the population will be on welfare under the Administration revision

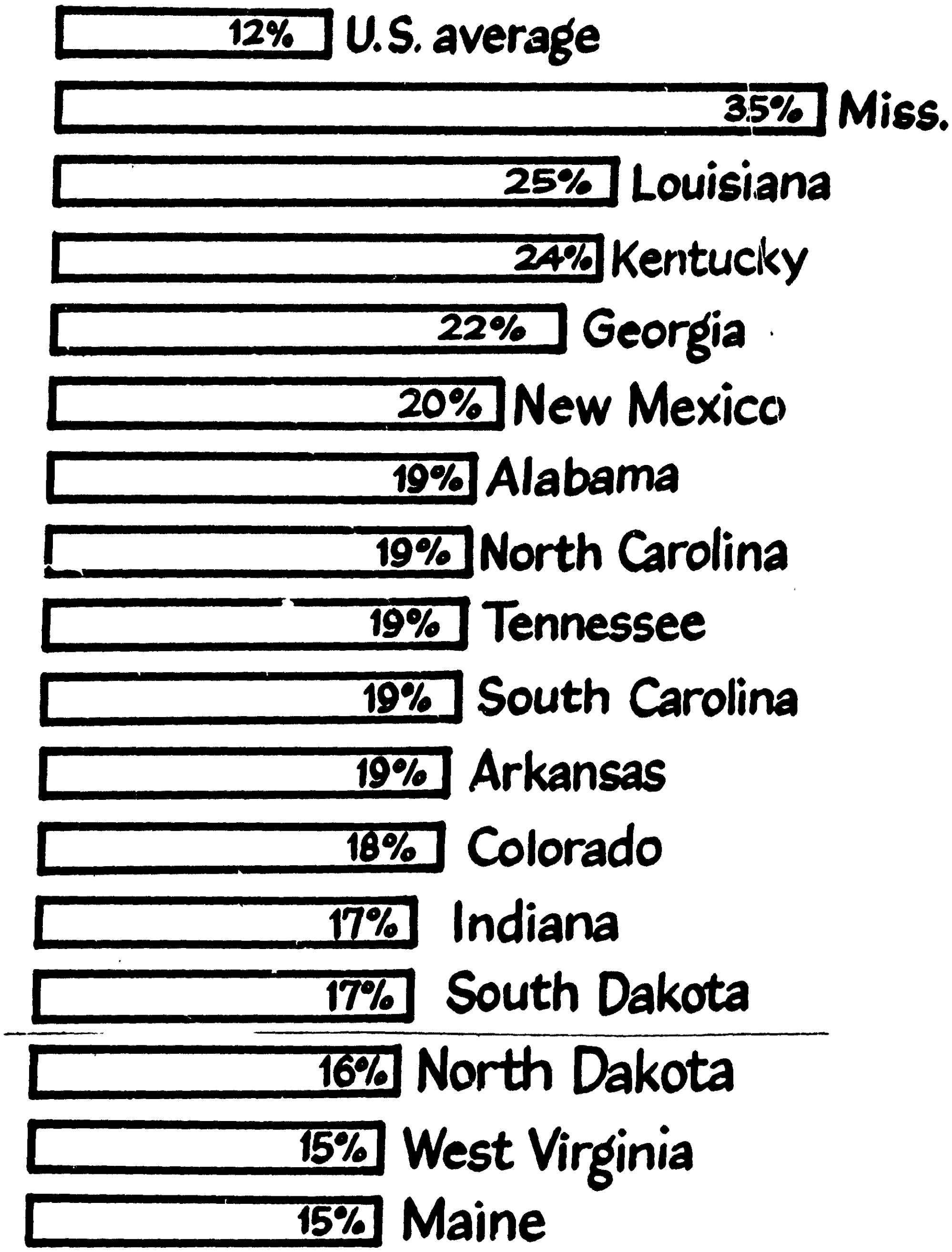

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CHART 3

IN 13 STATES, THE WELFARE ROLLS WILL BE MORE THAN TRIPLED UNDER THE ADMINISTRATION REVISION

Primarily because of the addition of the working poor to the welfare rolls, the number of persons receiving cash assistance under Federally-aided programs in the United States as a whole would be 2.3 times as great. This represents an increase from 10 million recipients in January 1970 to 24 million under the Administration revision. This chart shows the extent to which the welfare rolls will be enlarged in those 13 States in which the number of recipients will be at least tripled. Altogether, the increase in the number of recipients over January 1970 will range from a 24 percent increase in Pennsylvania to a 790 percent increase in Indiana. Table 2 in the appendix shows the increase in the welfare rolls by State.

In 13 States, the welfare rolls will be more than tripled under the Administration revision

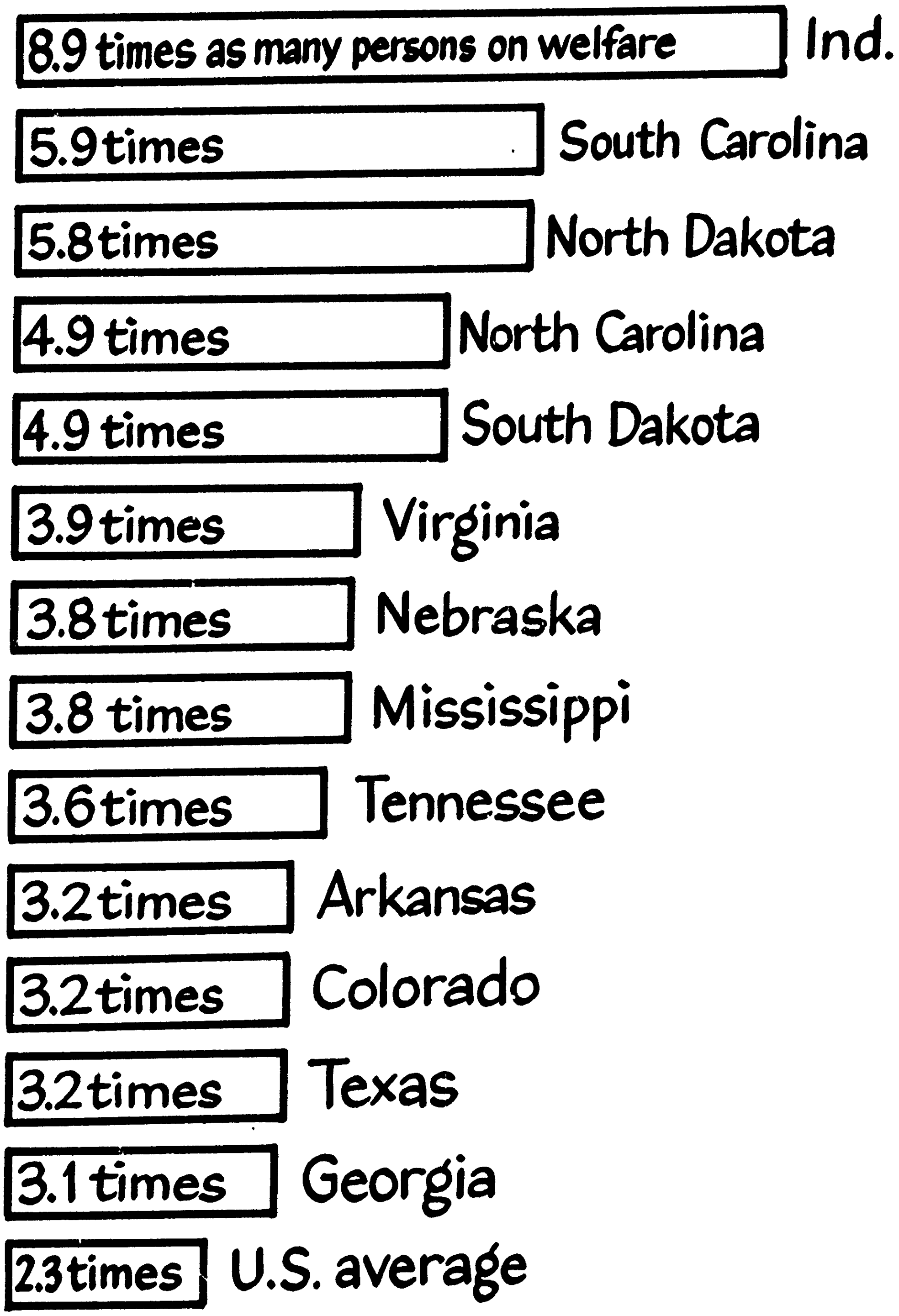

CHART 4

FAMILY ASSISTANCE PLAN

The Administration revision would make two changes with regard to payments to families under the Family Assistance Plan. Under H. R. 16311, a family's payment would be reduced by $300, in cases where a family member refused to register for employment or participate in work or training. Under the Administration revision, the family's payment would be reduced by $500. In addition, it would require that the amount of income paid by a family as Federal personal income tax be disregarded in determining eligibility for, and the amount of, welfare assistance.

The bill would retain the basic provisions of H. R. 16311 in regard to a basic benefit level of $500 a year for each of the first two members of a family, and $300 for each additional member. As in H. R. 16311, a family of four with no other income would be eligible to receive $1600 a year, all of which would be paid from Federal funds.

The Administration revision would retain the requirement of H. R. 16311 that all heads of households, with certain exceptions, register for work or training as a condition of receiving assistance.

As under H. R. 16311, the Administration revision would require that a portion of earned income not be counted for purposes of establishing eligibility for, and the amount of, assistance payments.

Family Assistance Plan

H.R. 16311

- $500 each for first 2 family members
- $300 for each additional member
- 100% Federal funds
- Generally, head of family must register for work and training; family assistance reduced $300 for failure to register or participate in work and training
- Portion of earned income not counted in determining benefits

Changes in Administration Revision

- Family assistance reduced $500 (instead of $300) when family member refuses to register or participate in work and training
- In addition to disregard of portion of earned income, amount of income equal to Federal income tax disregarded in determining benefits

CHART 5
STATE SUPPLEMENTARY PAYMENTS

Significant changes were made in the Administration revision concerning requirements on the States for supplementation of the Federal payment. In H. R. 16311, each State would be required to supplement the FAP payment up to the level of its January 1970 AFDC payment, or to the poverty level, whichever was lower. The intent was to provide welfare benefits which generally would not be lower than those which paid under current law. Under the Administration revision, a State would be required to make supplementary payments only up to a payment level, "determined by the Secretary after considering the payment which would have been made to a family group of such size with no income" under its State plan in effect in January 1970 (sec. 452 (a)). The effect, in the 22 States which now pay less than full need, would be to reduce or cut off welfare payments to most families which have some income.

Under H. R. 16311, the Federal Government would pay 30 percent matching for supplementary payments up to the poverty level.

The Administration revision would also provide 30% Federal matching; however, it would eliminate Federal matching for State programs of aid to needy families with existing unemployed fathers, now operative in 23 States. H. R. 16311 would have required the establishment of programs of aid to such families in all States, with Federal matching provided.

The Administration revision also would eliminate the provision of present law and H. R. 16311 which requires States to offer family planning services to all appropriate recipients of welfare.

State Supplementary Payments

H.R. 16311	Administration Revision
• State must supplement FAP up to lower of – level of Jan. 1970 AFDC payment – poverty level	• State must supplement FAP up to level set by Secretary after considering Jan. 1970 AFDC payment to family with no income; results in welfare cutoff or reduction to many recipients in 22 States
• 30% Federal matching	• 30% Federal matching
• Required for family with unemployed father; Federal matching provided	• Not required if father unemployed; if provided, no Federal matching
• Appropriate recipients must be offered family planning services	• Requirement concerning family planning deleted

CHART 6
WELFARE REDUCTION OR CUTOFF IN 22 STATES UNDER ADMINISTRATION REVISION -- PART ONE

Under the present AFDC program, 11 States place a dollar maximum on AFDC payments which is lower than the State needs standard. In Maine, for example, there is an annual needs standard for a family of four of $4188 and a maximum payment of $2016. A family of four with $1000 of countable income will have an unmet need of $3188, but the payment will remain at the maximum of $2016. H. R. 16311 would require States to provide supplementation at a level which would, in general, assure each family a total cash assistance payment (FAP plus State supplemental) equal to its former AFDC entitlement. The Administration revision, however, would require only that States pay families the difference between countable income and the present State maximum. In Maine, therefore, a family of four with zero income would receive $2016 under AFDC, H. R. 16311, or the Administration revision. With $1000 of countable income, however, this $2016 would be reduced to $1016 under the Administration revision while under present law or H. R. 16311 it would remain at $2016.

This chart shows that in each of the eleven States with dollar maximum provisions, female-headed families of four with countable income of one, two or three thousand dollars would receive substantially less in total cash assistance under the Administration revision than under H. R. 16311 (or under AFDC). In some cases, such families would be removed from the welfare rolls altogether. Thus, in California, a family of four with countable income of $3000 would get $936 under H. R. 16311 or under present law, but would be cut off cash assistance under the Administration revision.

Welfare Reduction or Cutoff in 22 States under Administration Revision: Part One

11 States now set a maximum payment limitation

		Welfare payment to family of 4 with countable income of--		
		$1,000	$2000	$3,000
Alaska:	H.R.16311	$2,220	$2,220	$2,220
	Admin. revision	1,220	220	0
Arkansas:	H.R.16311	1,140	256	
	Admin. revision	600	0	
California:	H.R.16311	2,652	1,936	936
	Admin. revision	1,652	652	0
Delaware:	H.R.16311	1,844	844	444
	Admin. revision	1,172	172	0
Georgia:	H.R.16311	1,496	496	
	Admin. revision	600	0	
Indiana:	H.R.16311	1,800	1,660	660
	Admin. revision	800	0	0
Maine:	H.R.16311	2,016	2,016	1,188
	Admin. revision	1,016	16	0
Missouri:	H.R.16311	1,560	1,560	900
	Admin. revision	600	0	0
Nebraska:	H.R.16311	2,400	1,960	960
	Admin. revision	1,400	400	0
Tennessee:	H.R.16311	1,548	604	
	Admin. revision	600	0	
Wyoming:	H.R.16311	2,216	1,216	216
	Admin. revision	1,724	724	0

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CHART 7

WELFARE REDUCTION OR CUTOFF IN 22 STATES UNDER ADMINISTRATION REVISION: PART TWO

Under the present AFDC program, there are 11 States which make cash assistance payments equal to a percentage of the family's unmet need (the State standard less countable income). In Arizona, for example, a family of four with no countable income receives welfare totaling $2208 in a year (69 percent of the standard of $3192). A family of 4 with $1000 of countable income will receive welfare payments totaling $1512. H. R. 16311 would continue this method of computing a family's total welfare payment. The Administration revision, however, would result in the Secretary setting a required "payment level" based on what is now paid by the State to families with no income. This "payment level" would be reduced dollar-for-dollar for any countable income, with the result that families with earnings or other income in States which now meet less than 100 percent of need would have their welfare payments reduced or terminated. In Louisiana, a family of four with $1000 of countable income would receive cash assistance of $738 under present law and H. R. 16311, but only $600 under the Administration revision. With countable income of $2000, this family would be entirely removed from the assistance rolls under the Administration revision, while under present law and H. R. 16311, it would be entitled to welfare payments of $228. In Louisiana as in most States on the chart, termination of cash assistance means termination of eligibility for medicaid benefits.

Welfare Reduction or Cutoff in 22 States under Administration Revision: Part Two

11 States now pay a portion of unmet need

	Welfare payment to family of 4 with countable income of--		
	$1,000	$2000	$2,400
Alabama: H.R. 16311	$616	$266	$126
Admin. revision	600	0	0
Arizona: H.R. 16311	1,512	822	547
Admin. revision	1,208	208	0
Florida: H.R. 16311	1,006	406	166
Admin. revision	608	0	0
Kentucky: H.R. 16311	1,097	232	
Admin. revision	956	0	
Louisiana: H.R. 16311	738	228	25
Admin. revision	600	0	0
Mississippi: H.R. 16311	600	235	115
Admin. revision	600	0	0
Nevada: H.R. 16311	1,521	1,321	1,241
Admin. revision	716	0	0
New Mexico: H.R. 16311	1,292	392	32
Admin. revision	1,196	196	0
North Carolina: H.R. 16311	1,120	320	
Admin. revision	920	0	
South Carolina: H.R. 16311	716	196	
Admin. revision	600	0	
South Dakota: H.R. 16311	2,367	1,417	1,037
Admin. revision	2,312	1,312	912

CHART 8

TREATMENT OF FAMILIES WITH UNEMPLOYED AND EMPLOYED FATHERS

This chart points up the major difference in the treatment of families headed by unemployed fathers under the Administration revision: the deletion of the requirement in H. R. 16311 that the States cover these families under their supplementary programs for both cash assistance and Medicaid benefits. Under the Administration revision, the States would have the option of covering these families with unemployed fathers under Medicaid. If a State provided cash benefits for such families, however, it would have to do so without Federal matching funds. The change would eliminate Federal matching funds for the 450,000 individuals now receiving assistance under 23 State programs of aid to families with unemployed fathers. In its material submitted on the Administration revision (Committee Print, page 27), the Department of Health, Education and Welfare assumes that no State will continue its program of aid to these families. The treatment of families of employed fathers -- the "working poor" -- would be the same under both H. R. 16311 and the Administration revision. Such families would be eligible for the basic FAP benefit, but no State supplementation would be required or matched by the Federal government. The option to the States under existing law of covering the children of the working poor under Medicaid would be continued. There would be no Federal matching of Medicaid benefits for adult members of the family.

Treatment of Families Headed by—

Unemployed father: H.R. 16311	Unemployed father: Admin. Revision	Employed father: H.R. 16311 and Admin. Revision
•Eligible for family assistance	•Eligible for family assistance	•Eligible for family assistance
•State supplement required; Federal matching	•State supplement not required; if provided, no Federal matching	•State supplement not required; if provided, no Federal matching
•Medicaid for entire family required	•Medicaid for entire family permitted at State's option	•Medicaid for children permitted at State's option

Under existing law, States may (but are not required to) aid families with unemployed fathers. In Jan. 1970, 23 States offered aid to 450,000 persons in such families.

CHART 9

DIMINISHED INCENTIVE FOR LOW-INCOME WORK UNDER ADMINISTRATION REVISION

This chart shows the monetary incentives under a combination of welfare programs for a female-headed family of four persons to seek full-time employment with earnings of $3000 annually, about the minimum wage. Under the Administration revision, after taking into account social security taxes and reductions in medical, food stamp, and cash assistance benefits, such a family in Phoenix, Arizona would have as net value twenty-eight cents out of every dollar earned. This compares with a net value of sixty cents out of every dollar of earnings which the same family would have under H. R. 16311 and sixty-two cents under present law. In each of the other cities shown, the patte1 is similar. Monetary incentives at the minimum wage level for female-headed families of four are lower under the revised Administration proposals than under H. R. 16311, which in turn is lower than under present law.

The decrease in incentives under the revised Administration proposals results partly from a change in how the mandatory State supplement is figured (in Delaware and Arizona) and partly from the proposed revision of the food stamp program, the proposed replacement of commodity distribution programs with the food stamp program, and the proposed replacement of the medicaid program with a medical insurance program. These proposed changes in other types of welfare programs are designed to eliminate strong work disincentives at higher earnings levels but they do so at the expense of reducing work incentives sharply at lower earnings levels.

Diminished Incentive for Low-Income Work Under Administration Revision

For family of 4 headed by a woman, the net value of each dollar if she moves from unemployment with no income to full-time work at the minimum wage

	Present Law	H.R. 16311	Administration Revision
Phoenix, Ariz.	62¢	60¢	28¢
Wilmington, Del.	71¢	67¢	23¢
Chicago, Ill.	54¢	38¢	27¢
New York, N.Y.	60¢	44¢	30¢

(Note: value of public housing excluded)

CHART 10
WELFARE RECIPIENTS UNDER PRESENT LAW AND ADMINISTRATION REVISION

In 1965, 4.4 million persons in families with children received Federally shared welfare payments. Under present law, this number is expected to rise to 9.6 million by 1972--a more than two-fold increase in seven years. Under the Administration revision, the Department of Health, Education, and Welfare estimates that 21.1 million persons and families would receive welfare in 1972, and this number would rise to 24.4 million by 1976.

In 1965, 2.7 million aged, blind, and disabled individuals received welfare payments. This number is estimated to increase 3.2 million by 1972. The Department of Health, Education, and Welfare estimates that the number will increase 100,000 if the Administration revision is enacted, and that this figure will rise to 3.9 million aged, blind, and disabled individuals on welfare by 1976.

Welfare Recipients Under Present Law and Administration Revision

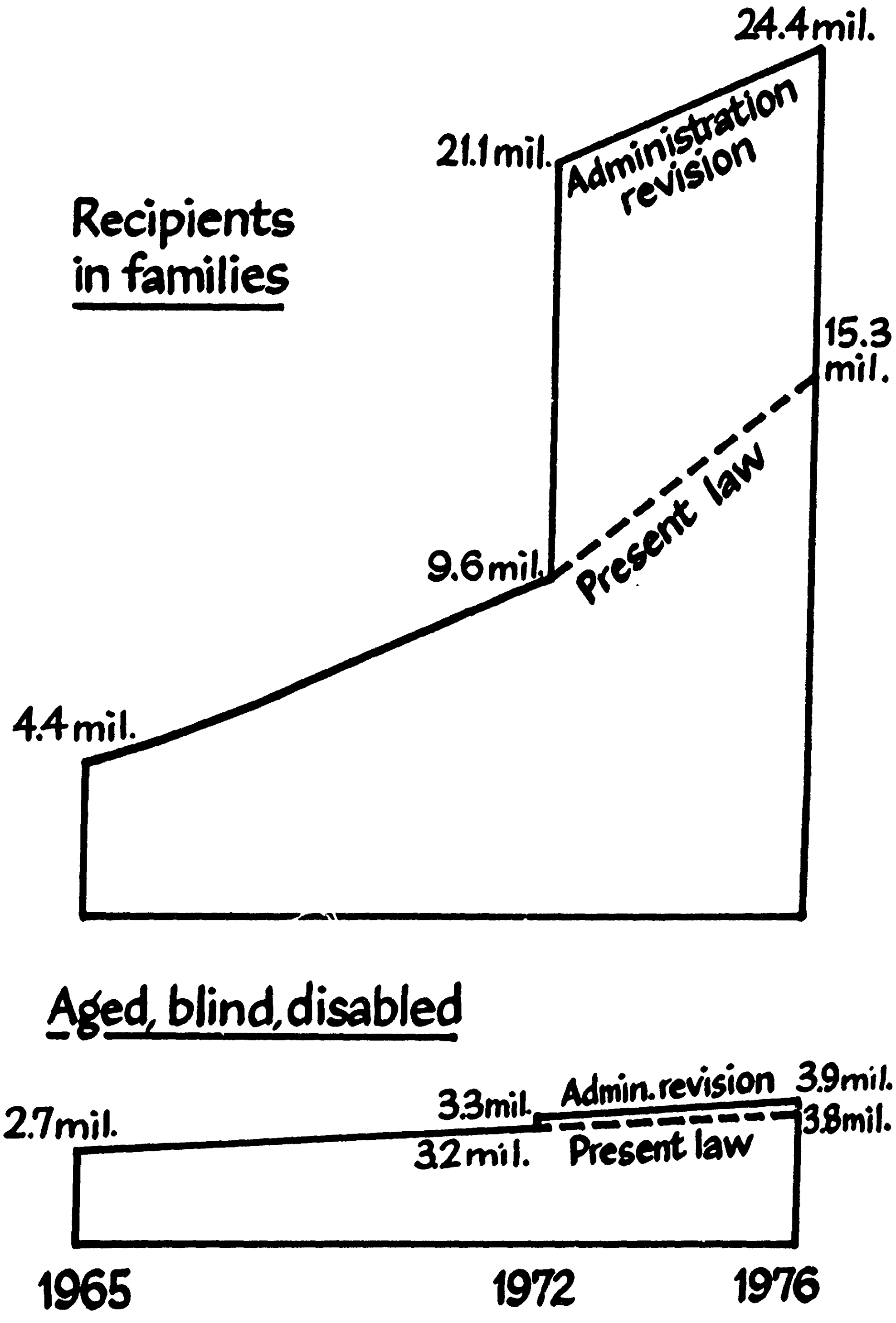

CHART 11

FEDERAL COST OF H. R. 16311 IN FISCAL YEAR 1971

Although neither H. R. 16311 nor the Administration Revision would become effective until fiscal year 1972, virtually all of the tables furnished the Committee by the Department of Health, Education, and Welfare are related to fiscal year 1971.

The background paper released to the press on June 10, 1970 (and included in the Committee print beginning on page 11) attributed a cost of $4.1 billion to the Administration Revision. Since Secretary Finch had testified before the Committee on Finance that the cost of H. R. 16311 would be $4.4 billion in 1968, many persons have assumed that the Administration Revision would cost $300 million less than the House bill.

In fact, the Administration Revision would cost almost a billion dollars more than the comparable amounts shown in the House Report on H.R. 16311. On page 53 of the House Report, a 1971 cost of $7.3 billion is shown for payments to welfare recipients. Other costs amounting to $0.9 billion are shown on a table on page 43 of the House Report. Thus the total cost of the program under the House bill was estimated by the Department of Health, Education, and Welfare at $8.2 billion.

Under the Administration Revision, payments to families are estimated by the Department to total $4.9 billion, with an additional $ 0.1 billion allowance for an increase in the unemployment rate from 3.6% to 5.0%. Payments to aged, blind, and disabled persons are estimated at $2.8 billion, while increased food stamp costs under the Administration Revision are estimated at $0.4 billion. The first year cost of day care, training, administration, and other items is estimated at $0.9 billion both in the House Report and under the Administration Revision. Thus the total cost of the Administration Revision is $9.1 billion, almost a billion dollars higher than the $8.2 billion estimated in the House Report. The Department of Health, Education, and Welfare's estimates of welfare costs under current law have risen $0.5 billion since the House Report was issued and thus net costs have gone up from $3.7 billion to $4.1 billion.

Federal Cost of H.R. 16311 in FY 1971

	House Report	Administration Revision
Payments to families	$4.6 bil.	$4.9 bil.
Allowance for increased unemployment	...	0.1 bil.
Payments to aged, blind, disabled	2.7 bil.	2.8 bil.
Increased food stamp costs	...	0.4 bil.
Other increased costs	0.9 bil.	0.9 bil.
TOTAL	8.2 bil.	9.1 bil.
Cost of welfare payments under present law	4.5 bil.	5.0 bil.
Net increase	3.7 bil.	4.1 bil.

CHART 12

REVENUE SHARING UNDER ADMINISTRATION REVISION

Although the Administration Revision would not become effective until fiscal year 1972, the Department of Health, Education, and Welfare has provided a table showing savings to States of $662 million in fiscal year 1971.

The Department of Health, Education, and Welfare estimates that 35 percent of this total will represent the replacement of State funds by Federal funds in California.

An additional 28 percent of the total will represent the replacement of State funds by Federal funds in four States: New York, Illinois, Ohio, and Texas.

The Department's estimates assume that all States will discontinue assistance to families in which the father is unemployed.

Revenue Sharing Under Administration Revision

Total: $662 million in fiscal 1971

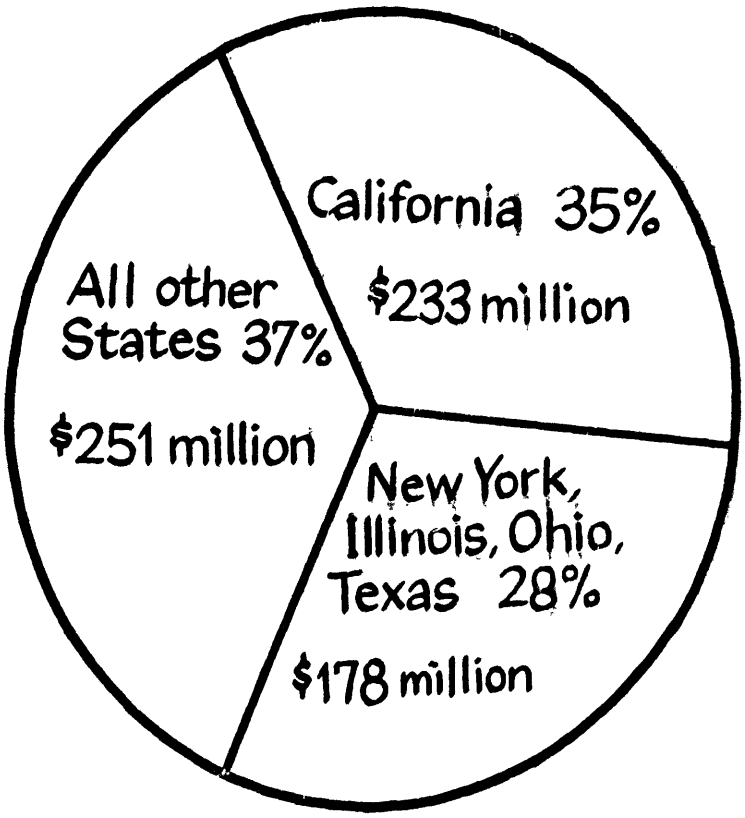

CHART 13

IMPACT OF ADMINISTRATION REVISION ON CERTAIN WELFARE RECIPIENTS AND STATE TREASURY -- CALIFORNIA AND NEW YORK

While California and New York are estimated by the Department of Health, Education and Welfare to benefit substantially from the revenue sharing provisions of the Administration Revision, there will be a sharp reduction in Federally-shared welfare payments to many recipients on the rolls in those two States, as is shown on the Chart.

This is the result of:

1. Elimination of Federal matching for State supplementary payments to families headed by an unemployed father (material furnished by the Department of Health, Education and Welfare assumes that all States will discontinue payments to such families);

2. In California, under the Administration Revision, the Secretary basing payment levels on the amount paid to families with no income;

3. A different method of treating work expenses under the Administration Revision compared with present law; and

4. A cut-off point for Federal matching in New York State at $3,720 for a family of four.

Impact of Administration Revision on Certain Welfare Recipients and State Treasury

California

Family of 4 headed by—	Federally shared welfare payment: Present Law	Federally shared welfare payment: Administration Revision
• Unemployed father, no income	$2,652	$1,600
• Widow receiving social security benefits of $120	2,496	1,212
• Woman working full time at minimum wage ($3320), work expenses $60/month	2,652	919

Savings to State Treasury under Administration Revision: $232.5 million

New York

Family of 4 headed by—	Present Law	Administration Revision
• Unemployed father, no income	$4032	$1,600
• Widow receiving social security benefits of $120	2,592	2,280
• Woman working full time at minimum wage ($3320), work expenses $60/month	2,779	1,987

Savings to State Treasury under Administration Revision: $58.6 million

CHART 14

ADMINISTRATION OF ASSISTANCE PROGRAMS

As indicated on the accompanying chart, H. R. 16311 would provide the option of either Federal or State administration of State supplementary payments. As an inducement to the States to make agreements with the Secretary for Federal administration of the supplementary payments, H. R. 16311 would provide for 100 percent Federal payment for the cost of administration under such agreements. (The Federal matching share is currently 50 percent.) The Administration revision would provide, however, that if an agreement for Federal administration is made which has an effective date not later than two years after the date of the implementation of the Family Assistance Plan, the Federal Government would pay 100 percent of the cost of administration during the period after the execution of the agreement and before actual Federal administration. Thus, during a two-year period the Federal Government could pay 100 percent of the cost of administering a State supplementary program even though the State was doing the actual administering.

The Administration revision would also authorize the Secretary to enter into agreements with the States for Federal administration of the food stamp program (with the State paying the whole cost), Federal eligibility determination for Medicaid (with the State and Federal Governments sharing the cost equally), and Federal determination of eligibility for surplus commodities (with the State paying the entire cost). The Secretary could also make agreements with the States for Federal administration of general assistance programs (with the State paying the whole cost).

Administration of Assistance Programs

Present Law

- Administered by State welfare agency
- 50% Federal share

H.R. 16311

- Federal administration of FAP
- For supplementary payments, State may
  - administer, with 50% Federal sharing of costs, or
  - have Federal administration, with 100% of cost borne by Federal Government
- Secretary may enter into agreement with State to make direct payments to aged, blind, and disabled
- Medicaid administered by States

Administration Revision

- 100% Federal share even before Fed'l administration
- Agreement may be made for Fed'l administration of
  - food stamps for welfare recipients (No matching)
  - eligibility determination for Medicaid ([redacted] ~~matching)~~ 50%
    and surplus commodities ([redacted] matching)
  - General Assistance (100% of cost borne by States)

NO

CHART 15
NEW SOCIAL SERVICES

In its revision of the bill, the Administration would delete provisions relating to social services for welfare recipients which are in the various public assistance titles of present law (also in H.R. 16311), and would instead add a new social services title to the Social Security Act.

The new title would provide Federal matching (with different percentages for different kinds of services) for a variety of social services to be provided by the States under State plans. At the heart of the new proposal is the State social services plan. Section 2005 (a) of the Administration revision (page 112 of the revised bill), the State plan is required to contain "assurances, satisfactory to the Secretary, that the State's program of individual and family services will include a reasonable balance (as prescribed in regulations by the Secretary) of such services and will conform to such minimum standards of performance as the Secretary may establish." Nowhere in the material submitted by the Department of Health, Education and Welfare is there any indication of what the Secretary might do under this authority.

The Administration revision would provide that individuals and families with incomes below the poverty level receive services without charge. However, those with incomes above the poverty level would be charged for certain services, according to the level of their income. The Secretary would approve the State's fee schedule.

At least 90 percent of the Federal allocation in any area would have to be used to provide services to persons or families below the poverty level, with the exception of counseling and referral, foster care, adoption, manpower and protective services.

The bill would require the Governor of a State to divide the State into "service areas." It would further require him to designate a State agency or a local prime sponsor to administer the program in each "service area," except that the chief elected official of a city with a population in excess of 250,000 could designate his city as a "service area" and could designate the local prime sponsor if he disagreed with the Governor's designation. The Governor may veto a service area plan, but the local prime sponsor may then appeal directly to the Secretary (sec. 2004(b)). If the Governor feels that the local prime sponsor has failed to administer its social services program in accordance with its approved plan, he may arrange for direct State administration (sec. 2005(a)(2)(J)); but if the Secretary determines that there has been any substantial failure to comply with the provisions, he may cut off Federal funds and set up direct Federal administration (sec. 2006(a)).

The bill authorizes an appropriation of such sums as may be necessary for grants to States for individual and family services. This amount would be allotted on the basis of each State's expenditures of Federal funds for social services in fiscal year 1971. An additional annual appropriation of $50 million is authorized to be used for the purpose of equalizing Federal social service expenditures among the States.

The bill also authorizes an appropriation of $150 million in funds for foster care. These funds would be allotted on the basis of the child population in each State.

New Social Services Title in Administration Revision

- Includes child welfare services, foster care, adoption services, temporary emergency assistance, family planning, services in support of work and training programs, child care, protective services (as defined by Secretary), custodial nursing home care, homemaker services, counseling and referral
- State plans must fit priorities set by Secretary and meet performance standards and goals set by Secretary
- Services must be completely separated from cash welfare
- Persons below poverty level eligible for services without charge; fees charged for certain services provided persons above poverty level
- 90% of funds must be used for services to persons below the poverty level (with certain exceptions)
- Complex Federal, State, and 'service area' relationships
- Fixed appropriations allocated among the States; up to 10% of appropriations to Secretary for project grants and contracts
- $50 million authorized for allotment to States with social services expenditures below the national average

CHART 16

NEW PROVISIONS IN ADMINISTRATION REVISION ON GOVERNMENTAL ASSISTANCE AND PROGRAM CONSOLIDATION

Governmental Assistance. -- The Administration revision would authorize the Secretary to make governmental assistance grants to provide aid to governors and the chief executives of cities and counties of his choosing for the purpose of strengthening their capacity to plan, manage, and evaluate health, education and welfare programs in a coordinated way. Support for a project could be continued only 3 years. Federal matching would be 75 percent in the first year, 65 percent in the second year, and 50 percent in the third year. If a project was jointly undertaken by two or more chief executives, the percentages would be 95 percent, 85 percent, and 70 percent.

Program Consolidation. -- Under the Administration revision, the Governor of each State could submit a single consolidated plan, including (1) his program of social services and (2) any one or more of his State's programs under which Federal assistance is extended by the Department of Health, Education and Welfare, and which includes services to individuals or families in the area of health, education and welfare. The plan would have to designate an official or agency to report to the Governor, and to assure that all necessary steps were taken for coordination of planning and administration of programs.

The Administration revision would authorize the Secretary, at the request of the Governor, to establish a single non-Federal share for programs included in a consolidated plan. The Governor or the local chief executive would be permitted to transfer up to 20 percent of the Federal assistance available for one program for use in one or more other programs included in the consolidated plan. However, no program could be given more than 50 percent in additional funds, over the amount originally available to it.

New Provisions in Administration Revision on Governmental Assistance and Program Consolidation

Governmental Assistance

- Secretary makes grants to Governors and mayors of his choice to strengthen the capacity of their offices to plan, manage, and evaluate HEW programs
- Project support limited to 3 years, with declining Federal matching

Program Consolidation

- Governor may submit consolidated plan which
  - must include social services plan
  - may not include Medicaid or cash welfare
  - generally, may include any other HEW program
- Secretary sets single non-Federal share based on non-Federal shares of programs included in plan
- Governor or mayor may transfer up to 20% of Federal funds available for one program into other programs, with limitation that no program may be increased by more than 50%

CHART 17

FAMILY PLANNING

Under present law, family planning services must be offered to all appropriate AFDC recipients. The Department of Health, Education, and Welfare estimates that 479,300 families were offered such services in 1969 under an open-end Federal matching grant formula. Moreover, Federal matching is provided for services not only to persons actually on AFDC, but to former or potential recipients.

Under the Administration's new social services proposal, there is no requirement that family planning be offered or made available to welfare recipients. Family planning is only one of the enumerated services which the States may offer as part of their social services plan. In addition, persons above the poverty line--a group which includes nearly all AFDC recipients in two States and many recipients in other States whose earnings bring them above the poverty level--would be required to pay for these services under a schedule approved by the Secretary of Health, Education, and Welfare. Finally, family planning services would have to compete with other services for limited Federal matching dollars under a closed-end grant.

Family Planning

Present law

- Must be offered all appropriate AFDC recipients
- 479,300 persons offered family planning services in 1969
- May be offered persons who were once on welfare or who might become dependent
- Open-ended Federal matching

Administration revision

- No requirement that family planning be offered or made available to welfare recipients
- Persons above poverty line, including many welfare recipients, must pay for family planning
- Closed-end Federal grant

CHART 18
MAJOR AREAS OF SECRETARIAL DISCRETION LEFT UNCHANGED IN ADMINISTRATION REVISION

H. R 16311 contains 39 areas allowing the Secretary of Health, Education and Welfare and the Secretary of Labor important discretion to determine policy, in the following sections:

Sec. 431 (a)	Sec. 443 (b)(3)	Sec. 447 (c)
Sec. 422 (a)(2)	Sec. 443 (b)(5)	Sec. 452 (a)
Sec. 432 (a)(3)	Sec. 444 (a)(2)	Sec. 452 (b)(1)
Sec. 434	Sec. 444 (b)	Sec. 1602 (a)(6)
Sec. 435 (a)	Sec. 445 (b)	Sec. 1602 (a)(7)
Sec. 436 (c)	Sec. 445 (d)	Sec. 1602 (a)(11)
Sec. 437 (a)	Sec. 446 (a)(1)	Sec. 1602 (a)(16)
Sec. 442 (c)(1)	Sec. 446 (a)(2)	Sec. 1602 (b)(4)
Sec. 442 (c)(2)	Sec. 446 (a)(3)	Sec. 1602 (b)(5)
Sec. 442 (c)(3)	Sec. 446 (b)	Sec. 1603 (a)(1)
Sec. 442 (d)	Sec. 446 (e)(1)	Sec. 1604 (2)
Sec. 443 (b)(1)	Sec. 446 (e)(2)	Sec. 1610
Sec. 443 (b)(2)	Sec. 447 (a)	Sec. 404 (16)(c) of bill

In most cases the Administration revision neither changes the language of H. R. 16311 nor has the Administration indicated the policy it will follow under the discretionary authority. In some cases, the language of the bill specifically authorizing the Secretary to issue regulations has been deleted in the Administration revision, although there is still no indication of policy -- thus the deletion of specific reference to the Secretary's discretion has no practical meaning.

Secretary of Health, Education, and Welfare. -- Under the Administration revision, the Secretary of Health, Education and Welfare would determine which items should not be considered as resources in determining a family's eligibility for assistance. The Secretary would also have the authority, under the Administration revision, to determine eligibility for family assistance on the basis of a simplified declaration of need by the recipient. He would, in addition, issue regulations which would set the amount of gross income a family could have and still retain eligibility for welfare.

In regard to child care, the Secretary would have broad authority to decide who would be provided child care services, and for how long. He would also have the authority to establish a fee schedule for payment for child care services by recipients.

The definition of "severely disabled" for purposes of eligibility for welfare would be made by the Secretary; his decision could increase the welfare rolls by as much as one million disabled persons. The Secretary would also determine the maximum payment level which the Federal Government would match under the program of assistance to the aged, blind and disabled.

If a State wished to exercise the option for Federal administration of the State supplementary payment program, the Secretary would make the determination of who was eligible for the payments and the amount of the payments.

Secretary of Labor. -- The Administration revision would give the Secretary of Labor broad discretion in deciding who should be given training, and the kind of training provided. He also would have discretionary authority in deciding how to allocate work and training funds among the States.

Major Areas of Secretarial Discretion Left Unchanged in Administration Revision

Secretary of HEW

- Decides what items will not be considered resources for welfare eligibility purposes
- May determine family's eligibility on basis of simplified declaration
- Sets limits on gross income a family may have and still be eligible for welfare
- Decides who to provide child care to, for how long, and at what cost
- Defines meaning of "severely disabled" for welfare purposes
- Decides extent of Federal matching for aid to aged, blind, and disabled
- If State opts for Federal administration, determines who is eligible for State welfare and how much they receive

Secretary of Labor

- Decides who to train and how
- Decides how he will allocate work and training funds among the States

CHART 19
MAJOR NEW AREAS OF DISCRETION UNDER ADMINISTRATION REVISION

In addition to the more than 30 areas of Secretarial discretion in policy matters retained from H. R. 16311 in the Administration revision, the revised bill would add 20 new areas of discretion, contained in the following sections:

Sec. 436 (a)(4)(twice)	Sec. 2002 (5)
Sec. 443 (b)	Sec. 2004 (c)
Sec. 445 (c)	Sec. 2005 (a)(1)(C)
Sec. 447 (d)	Sec. 2005 (a)(2)(A)
Sec. 448 (b)(4)	Sec. 2005 (a)(2)(B)
Sec. 452 (a)	Sec. 2005 (a)(2)(E)
Sec. 452 (b)(1)	Sec. 20[illegible] (1)(B)(ii)
Sec. 2002 (1)(E)	Sec. 2022 (a)(1)
Sec. 2002 (3)(A)	Sec. 2030

Secretary of Health, Education and Welfare. -- A change in the requirement for State supplementation of the family assistance payment would require the Secretary of Health, Education and Welfare to determine the minimum payment level which a State must provide to recipients of supplementary payments. The Administration revision would also require Secretarial definition of family relationships by eliminating the provision in H. R. 16311 which would require the application of appropriate State law in determining family relationships.

The Administration revision would give the Secretary new authority for the construction of child care facilities, and would enable him to determine when and where such facilities would be constructed. In the new social services title provided in the bill, the Federal government would provide funds for payments for foster care, but only if the foster care meets standards prescribed by the Secretary.

The social services provisions would also give the Secretary authority to prescribe regulations relating to the "reasonable balance" of services offered by a State, and would authorize him to establish standards of performance in the delivery of services.

If the Governor of a State took advantage of the provision in the Administration revision enabling him to establish a consolidated health, education and welfare plan, the Secretary would have the authority to establish a single Federal matching share, based on the Federal share or shares applicable to the various programs included in the plan and on the total expenditures which could be claimed for Federal financial participation for each program.

The Administration revision would also allow the Secretary free choice in deciding which governors and mayors would receive the governmental assistance grants which are provided in the revised bill.

Secretary of Labor. -- Under the Administration revision, the Secretary of Labor, in determining whether benefits should be denied, would have to decide whether an individual had the ability, based on skills or prior experience, to acquire other employment that would contribute more to his self-sufficiency, but only if the Secretary of Labor was satisfied that such employment was actually available in the community, and the individual had not been given adequate opportunity to obtain it.

President. -- The Administration revision would give the President the authority to prescribe regulations relating to joint funding, involving the designation of a single Federal agency to administer funds which are advanced for a single project or program by more than one Federal agency, establishing a single non-Federal share, and waiving grant or contract requirements.

Major New Areas of Discretion Under Administration Revision

Secretary of HEW

- Sets minimum level of State supplementation
- Defines family relationships on a nationwide basis
- Decides when and where child care facilities will be constructed
- Sets national standards for foster care
- Determines what social services State must offer and sets minimum performance standards and goals
- Sets the Federal matching share for consolidated State HEW plans
- Decides which Governors and mayors will receive assistance grants and how much they will receive

Secretary of Labor

- Decides when an individual may continue to receive welfare if he refuses work because his ability, skills and experience qualify him for other employment

President

- Given broad authority to permit consolidation of Federal projects involving more than one agency, set non-Federal share, and waive program requirements

CHART 20
MAJOR ADMINISTRATION PROPOSALS NOT INCLUDED IN REVISED BILL

During the three days of hearings held on the welfare bill by the Committee on Finance at the end of April, three programs for poor persons were cited as requiring close coordination with the welfare programs. In each case, it can happen that an increase in family income brings about a larger decrease in benefits to the family. Although the Administration revision does not incorporate modifications in these programs to solve the problems raised, the Administration has stated its intentions in each area.

Food Stamps. -- The Administration states that it intends to modify the schedules of food stamp benefits through administrative action to correct the problem.

Public Housing. -- The Administration points out that it has submitted legislation to the Congress which would solve the problem by requiring families in public housing to contribute 20% of the first $3500 of income plus 25% of income above $3500 up to the fair market value of the housing. This legislation is currently pending before the Senate Committee on Banking and Currency.

Medicaid. -- The Administration has also stated its intention to submit legislation next February to replace Medicaid for families with a wholly Federal family health insurance plan. Section 504 of the Administration revision would require that:

> "On or before February 15, 1971, the Secretary shall submit to the Congress recommendations for restructuring and improving the existing program of medical assistance under title XIX of the Social Security Act, including recommendations specifically designed to assure that such program will be consistent in effect with the objectives of the family assistance plan established by section 101 of this Act."

Major Administration Proposals Not Included in Revised Bill

Food Stamps

Schedule of entitlement to be revised to ensure that increase in family income will not result in net loss to family because of larger decrease in food stamp bonus

Public Housing

Legislation proposed in Administration's 1970 Housing Bill would require families in public housing to contribute 20% of their first $3,500 of income plus 25% of income above $3,500, up to fair market value of housing

Medicaid

Administration plans to submit legislation next February to replace Medicaid for families with wholly Federal Family Health Insurance Plan

APPENDIX A

ANALYSIS OF RESPONSES OF 26 GOVERNORS TO THE COMMITTEE'S REQUEST FOR DATA ON THE IMPACT OF THE FAMILY ASSISTANCE PLAN

(Note: The following pages compare material from the State responses with data submitted by the Department of Health, Education, and Welfare.)

On April 30, the Honorable Russell B. Long, Chairman of the Committee on Finance, sent a telegram to the Governor of every State seeking information on the impact of H. R. 16311, the Family Assistance Act of 1970, in his State. Responses were received from twenty-six Governors.

Aid to Families With Dependent Children

Table 1 below compares the estimates of the States as to the number of persons who will be eligible under their Aid for Dependent Children programs in 1972 with the estimates of the Department of Health, Education, and Welfare as to the number of persons in those States who would be eligible for State supplementation payments under the Family Assistance Act if that act were in effect in 1971. In very general terms, it would be expected that the AFDC rolls and the State Supplemental rolls under FAP should cover about the same populations.

TABLE I. -- State Estimates of 1972 AFDC Rolls Compared with 1971 State Supplementation Recipients as Estimated by Department of Health, Education, and Welfare.

State	AFDC Recipients 1970	State Estimate of 1972 AFDC Recipients	HEW Estimate of Supplemental Recipients
Arizona	51,300	65,200	63,100
California	1,162,000	1,559,700	1,125,700
Connecticut	82,500	112,000	130,000
Delaware	20,000	27,000	14,700
Hawaii	25,100	38,207	34,800
Idaho	15,800	20,845	18,700
Kansas	53,600	87,800	74,500
Kentucky	128,000	159,000	164,700
Maine	34,500	66,600	32,000
Maryland	133,000	153,000	144,000
Minnesota	75,900	86,000	124,500
Montana	13,100	20,000	17,200
Nevada	12,100	23,000	7,500
New Hampshire	8,900	13,817	15,600
New York	1,060,000	1,175,000	1,366,300
North Carolina	126,000	160,000	123,000
North Dakota	10,600	14,000	14,100
Ohio	265,000	422,612	360,600
Rhode Island	38,100	42,500	56,900
Texas	219,000	448,735	216,100
Vermont	11,600	12,479	20,600
Wyoming	5,000	8,416	5,600

Of the 22 States in the table, 14 States estimated 1972 AFDC recipient levels higher than the HEW estimates of the number of State supplemental recipients in 1971, and 8 States estimated lesser numbers of recipients than did HEW. In about half the cases, the variance in estimates amounted to more than 25 percent, as is shown below:

	State's 1972 AFDC Estimate Is	
State	Percentage Higher than HEW 1971 estimate	Percentage Lower than HEW 1971 estimate
Nevada	207 %	
Maine	108	
Texas	108	
Delaware	84	
Wyoming	50	
California	39	
North Carolina	30	
Vermont		39 %
Minnesota		31
Rhode Island		25

Even allowing for the one year difference in time reference and the differences between the two programs, these variations between the estimates of the States and the estimates of HEW are quite substantial. To some extent, State AFDC rolls may be higher than State supplementation rolls because the Administration revision of H. R. 16311 would base the State supplementation payments on the amount of AFDC paid a family with no income. For States not now meeting full need as measured by their needs standard, a number of persons would be cut off the rolls under the Administration revision. On the other hand, there are also factors which would work in the opposite direction. For example, it is widely assumed that the adoption of uniform Federal standards of administration would increase the welfare rolls by eliminating State practices which directly or indirectly limit eligibility. Also, the HEW estimates are presumably based on the total eligible population while the States' estimates most likely represent their calculation as to what the caseload will actually be without counting those who are unaware of their eligibility or unwilling to apply for welfare.

In this connection, it should be pointed out that there is some feeling that the existence of the Family Assistance Plan would result in an increase in the proportion of eligibles who actually apply for assistance. The State of Washington estimated that the factor of "publicity and change in public attitude" as a result of the FAP program would increase the rolls by 5,770 families at a cost of $5.5 million including $3.9 million in State funds.

Medicaid

The States also projected substantial increases in their Medicaid costs if H. R. 16311 were enacted in the form in which it passed the House of Representatives. Table 2 whows the various estimates made by the States with respect to added Medicaid costs. It should be pointed out that these figures are not comparable from State to State since some States apparently restricted their estimates to the added costs arising from the increased number of persons eligible in the adult categories (the aged, blind, and disabled) while other States included all additional recipients including those who would be added to the welfare rolls because of the mandatory extension of State assistance to families with an unemployed father. This last provision has been eliminated in the Administration's revised proposals.

Table 2. -- Estimates of Added Medicaid Costs under H. R. 16311
(millions of dollars)

State	Total Additional Medicaid Cost	Additional State Share
California	$125.0	$62.5
Connecticut	5.9	3.0
Delaware	0.4	0.2
Georgia	19.8	5.6
Hawaii	7.5	3.8
Idaho	1.2	0.4
Indiana	27.0	12.7
Kansas	-0-	-0-
Kentucky	8.0	2.1
Louisiana	2.0	0.5
Maine	7.2	2.3
Maryland	0.2	0.1
Minnesota	4.4	1.9
Mississippi	38.2	7.7
Missouri	7.5	3.5
Nevada	10.3	5.2
New Hampshire	0.3	0.1
North Carolina	17.3	4.7
North Dakota	3.0	0.9
Ohio	24.1	11.5
Pennsylvania	-0-	-0-
Rhode Island	1.0	0.5
Texas	50.3	16.8
Virginia	10.0	3.5
Wisconsin	5.2	2.3
Wyoming	11.9	4.7
Totals (for 26 States)	387.7	156.5

Earned Income Disregard

In the questionnaire, the States were asked to indicate the number of persons who would become eligible for assistance because of the provisions of H.R. 16311 which required the disregard of a certain amount of earned income in determining eligibility. Many States indicated that this change would have only slight effect on the numbers eligible, apparently believing that the disregard provisions in the present AFDC law are roughly comparable to those in H.R. 16311. However, the number of recipients would be affected not only by the differences in the amount disregarded but also by the fact that under H.R. 16311 the disregard provisions could be applied to establish initial eligibility while under present law they may be applied only to families already on the rolls. Some States which were aware of this aspect of the proposal estimated that it would have a substantial effect. For example, Ohio projected an additional 132,283 recipients as a result of the provisions in H.R. 16311 for disregarding income in establishing eligibility.

APPENDIX B

TABLE 1. -- PROPORTION OF POPULATION ON FEDERALLY AIDED WELFARE UNDER PRESENT LAW AND ADMINISTRATION REVISION

		Federally Aided Welfare Recipients, January 1970		Welfare Recipients Under Administration Revision	
	Civilian Resident Population	Number	Percent of Population	Number	Percent of Population
Total U. S.	203, 796, 700	10, 436, 197	5. 1 %	23, 784, 300	11. 7 %
Alabama	3, 505, 000	255, 400	7. 3 %	665, 800	19. 0 %
Alaska	252, 000	10, 274	4. 1 %	25, 100	10. 0 %
Arizona	1, 685, 000	72, 440	4. 3 %	204, 600	12. 2 %
Arkansas	1, 996, 000	115, 000	5. 8 %	369, 700	18. 5 %
California	19, 213, 000	1, 655, 400	8. 6 %	2, 323, 400	12. 1 %
Colorado	2, 065, 000	114, 110	5. 5 %	368, 000	17. 8 %
Connecticut	3, 009, 000	97, 140	3. 2 %	187, 900	6. 2 %
Delaware	537, 000	23, 860	4. 4 %	55, 000	10. 2 %
District of Columbia	783, 000	47, 490	6. 1 %	65, 900	8. 4 %
Florida	6, 332, 000	295, 900	4. 7 %	683, 600	10. 8 %
Georgia	4, 565, 000	328, 400	7. 2 %	1, 025, 500	22. 5 %
Hawaii	747, 000	29, 072	3. 9 %	62, 700	8. 4 %
Idaho	717, 000	22, 100	3. 1 %	54, 400	7. 6 %
Illinois	11, 031, 000	446, 100	4. 0 %	806, 300	7. 3 %
Indiana	5, 136, 000	98, 100	1. 9 %	876, 900	17. 1 %
Iowa	2, 785, 000	92, 300	3. 3 %	235, 700	8. 5 %
Kansas	2, 288, 000	73, 940	3. 2 %	158, 600	6. 9 %
Kentucky	2, 192, 000	211, 200	9. 6 %	523, 500	23, 9 %

TABLE . -- PROPORTION OF POPULATION ON FEDERALLY AIDED WELFARE UNDER PRESENT LAW AND ADMINISTRATION REVISION (cont.)

Louisiana	3, 724, 000	346, 500	9. 3 %	934, 200	25. 1 %
Maine	967, 000	48, 920	5. 1 %	145, 400	15. 0 %
Maryland	3, 732, 000	157, 850	4. 2 %	262, 800	7. 0 %
Massachusetts	5, 475, 000	282, 500	5. 2 %	438, 500	8. 0 %
Michigan	8, 798, 000	316, 200	3. 6 %	646, 400	7. 3 %
Minnesota	3, 714, 000	108, 120	2. 9 %	320, 300	8. 6 %
Mississippi	2, 336, 000	211, 000	9. 0 %	806, 600	34. 5 %
Missouri	4, 637, 000	255, 200	5. 5 %	443, 100	9. 6 %
Montana	688, 000	18, 880	2. 7 %	52, 200	7. 6 %
Nebraska	1, 437, 000	43, 550	3. 0 %	167, 700	11. 7 %
Nevada	452, 000	15, 570	3. 4 %	37, 000	8. 2 %
New Hampshire	720, 000	14, 260	2. 0 %	39, 800	5. 5 %
New Jersey	7, 128, 000	318, 720	4. 5 %	508, 800	7. 1 %
New Mexico	976, 000	69, 260	7. 1 %	194, 400	19. 9 %
New York	18, 369, 000	1, 227, 400	6. 7 %	1, 979, 300	10. 8 %
North Carolina	5, 110, 000	194, 600	3. 8 %	960, 600	18. 9 %
North Dakota	600, 000	16, 583	2. 8 %	96, 900	16. 2 %
Ohio	10, 786, 000	355, 400	3. 3 %	799, 800	7. 4 %
Oklahoma	2, 545, 000	188, 700	7. 4 %	366, 200	14. 4 %
Oregon	2, 044, 000	93, 800	4. 6 %	143, 500	7. 0 %
Pennsylvania	11, 797, 000	511, 800	4. 3 %	634, 800	5. 4 %
Rhode Island	886, 000	45, 810	5. 2 %	67, 200	7. 6 %

TABLE 1. -- PROPORTION OF POPULATION ON FEDERALLY AIDED WELFARE UNDER PRESENT LAW AND ADMINISTRATION REVISION (cont.)

South Carolina	2,636,000	83,900	3.2 %	490,800	18.6 %
South Dakota	650,000	22,110	3.4 %	107,400	16.5 %
Tennessee	3,971,000	205,400	5.2 %	741,800	18.7 %
Texas	11,097,000	478,800	4.3 %	1,521,500	13.7 %
Utah	1,049,000	42,760	4.1 %	55,100	5.3 %
Vermont	444,000	18,000	4.1 %	46,800	10.5 %
Virginia	4,514,000	109,400	2.4 %	431,300	9.6 %
Washington	3,386,000	153,450	4.5 %	312,300	9.2 %
West Virginia	1,819,000	115,580	6.4 %	275,300	15.1 %
Wisconsin	4,242,000	101,180	2.4 %	238,400	5.6 %
Wyoming	317,000	7,447	2.3 %	20,000	6.3 %
Puerto Rico	2,763,000	264,930	9.6 %	800,000	29.0 %
Guam	87,700	2,072	2.4 %	3,400	3.9 %
Virgin Islands	59,000	2,319	3.9 %	2,100	3.6 %

TABLE 2. -- INCREASE IN WELFARE RECIPIENTS UNDER ADMINISTRATION REVISION

	Federally Aided Welfare Recipients, January 1970	Welfare Recipients Under Administration Revision	Percent Increase
Total U. S.	10, 436, 197	23, 784, 300	128 %
Alabama	255, 400	665, 800	161 %
Alaska	10, 274	25, 100	146 %
Arizona	72, 440	204, 600	183 %
Arkansas	115, 000	369, 700	222 %
California	1, 655, 400	2, 323, 400	41 %
Colorado	114, 110	368, 000	221 %
Connecticut	97, 140	187, 900	93 %
Delaware	23, 860	55, 000	130 %
District of Columbia	47, 490	65, 900	39 %
Florida	295, 900	683, 600	131 %
Georgia	328, 400	1, 025, 500	212 %
Hawaii	29, 072	62, 700	116 %
Idaho	22, 100	54, 400	146 %
Illinois	446, 100	806, 300	81 %
Indiana	98, 100	876, 900	794 %
Iowa	92, 300	235, 700	155 %
Kansas	73, 940	158, 600	114 %
Kentucky	211, 200	523, 500	148 %
Louisiana	346, 500	934, 200	170 %
Maine	48, 920	145, 400	197 %

TABLE 2. -- INCREASE IN WELFARE RECIPIENTS UNDER ADMINISTRATION REVISION (cont.)

Maryland	157, 850	262, 800	67 %
Massachusetts	282, 500	438, 500	55 %
Michigan	316, 200	646, 400	104 %
Minnesota	108, 120	320, 300	196 %
Mississippi	211, 000	806, 600	282 %
Missouri	255, 200	443, 100	74 %
Montana	18, 880	52, 200	176 %
Nebraska	43, 550	167, 700	285 %
Nevada	15, 570	37, 000	138 %
New Hampshire	14, 260	39, 800	179 %
New Jersey	318, 720	508, 800	60 %
New Mexico	69, 260	194, 400	180 %
New York	1, 227, 400	1, 979, 300	61 %
North Carolina	194, 600	960, 600	394 %
North Dakota	16, 583	96, 900	485 %
Ohio	355, 400	799, 800	125 %
Oklahoma	188, 700	366, 200	94 %
Oregon	93, 800	143, 500	53 %
Pennsylvania	511, 800	634, 800	24 %
Rhode Island	45, 810	67, 200	47 %
South Carolina	83, 900	490, 800	485 %

TABLE 2. -- INCREASE IN WELFARE RECIPIENTS UNDER ADMINISTRATION REVISION cont.

South Dakota	22, 110	107, 400	386 %
Tennessee	205, 400	741, 800	262 %
Texas	478, 800	1, 521, 500	218 %
Utah	42, 760	55, 100	29 %
Vermont	18, 000	46, 800	160 %
Virginia	109, 400	431, 300	294 %
Washington	153, 450	312, 300	104 %
West Virginia	115, 580	275, 300	138 %
Wisconsin	101, 180	238, 400	136 %
Wyoming	7, 447	20, 000	169 %
Puerto Rico	264, 930	800, 000	202 %
Guam	2, 072	3, 400	64 %
Virgin Islands	2, 319	2, 100	-9 %

TABLE 3. -- COMPARISON OF PROJECTED RECIPIENTS UNDER THE ADMINISTRATION REVISION AND CURRENT LAW, 1972 - 1976
(in millions of persons)

	1972	1973	1974	1975	1976
Total Recipients					
Under Administration revision:					
Persons receiving FAP only	12.7	12.3	11.9	11.5	11.0
Persons receiving State supplement only	1.9	2.6	3.4	4.2	5.1
Persons receiving both FAP & supplementation	6.6	6.9	7.3	7.8	8.3
Adult category recipients	3.3	3.5	3.6	3.8	3.9
Totals, Administration revision	24.4	25.2	26.1	27.2	28.3
Under Current Law:					
AFDC recipients	9.6	10.8	12.1	13.6	15.3
Adult category recipients	3.2	3.4	3.5	3.7	3.8
Totals, Current Law	12.8	14.2	15.6	17.3	19.1
Recipients in Male-Headed Families					
Under Administration revision:					
Persons receiving FAP only	9.5	9.1	8.7	8.3	7.8
Persons receiving State supplement only	-	-	-	-	-
Persons receiving both FAP & supplementation	1.2	1.3	1.5	1.7	1.9
Adult category recipients	1.2	1.3	1.3	1.4	1.4
Totals, Administration revision	11.9	11.7	11.5	11.4	11.1
Under Current Law:					
AFDC recipients	2.0	2.3	2.6	2.9	3.3
Adult category recipients	1.1	1.2	1.2	1.3	1.3
Totals, Current Law	3.1	3.5	3.8	4.2	4.6
Recipients in Female-Headed Families					
Under Administration revision:					
Persons receiving FAP only	3.2	3.2	3.2	3.2	3.2
Persons receiving State supplement only	1.9	2.6	3.4	4.2	5.1
Persons receiving both FAP & supplementation	5.4	5.6	5.8	6.1	6.4
Adult category recipients	2.1	2.2	2.3	2.4	2.5
Totals, Administration revision	12.5	13.5	14.6	15.8	17.2
Under Current Law:					
AFDC recipients	7.6	8.5	9.5	10.7	12.0
Adult category recipients	2.1	2.2	2.3	2.4	2.5
Totals, Current Law	9.7	10.7	11.8	13.1	14.5

TABLE 4

Value of Work to Family with $3000 of Earnings, Selected Cities

	Total money and in-kind income1/ for a family headed by a woman with -- No earnings	Earnings of $3000	Net increase in family income	Value of each dollar earned
1. Phoenix, Arizona				
Present law	$2,649	$4,521	$1,872	62¢
H. R. 16311	2,649	4,439	1,790	60¢
Administration revision	2,854	3,708	854	28¢
2. Wilmington, Delaware				
Present law	3,271	5,387	2,116	71¢
H. R. 16311	3,271	5,267	1,996	67¢
Administration revision	3,443	4,128	685	23¢
3. Chicago, Illinois				
Present law	4,522	6,134	1,612	54¢
H. R. 16311	4,522	5,654	1,132	38¢
Administration revision	4,011	4,822	811	27¢
4. New York, New York				
Present law	5,708	7,512	1,804	60¢
H. R. 16311	5,708	7,032	1,324	44¢
Administration revision	4,540	5,452	912	30¢

1/ Excludes public housing.

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