

**COMMITTEE ON FINANCE  
UNITED STATES SENATE  
Harry Flood Byrd, *Chairman***

**BRIEF SUMMARY OF MAJOR PROVISIONS OF AND  
DETAILED COMPARISON SHOWING CHANGES  
MADE IN PRIOR LAW BY PUBLIC LAW 87-543  
(PUBLIC WELFARE AMENDMENTS OF 1962)**

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## COMMITTEE ON FINANCE

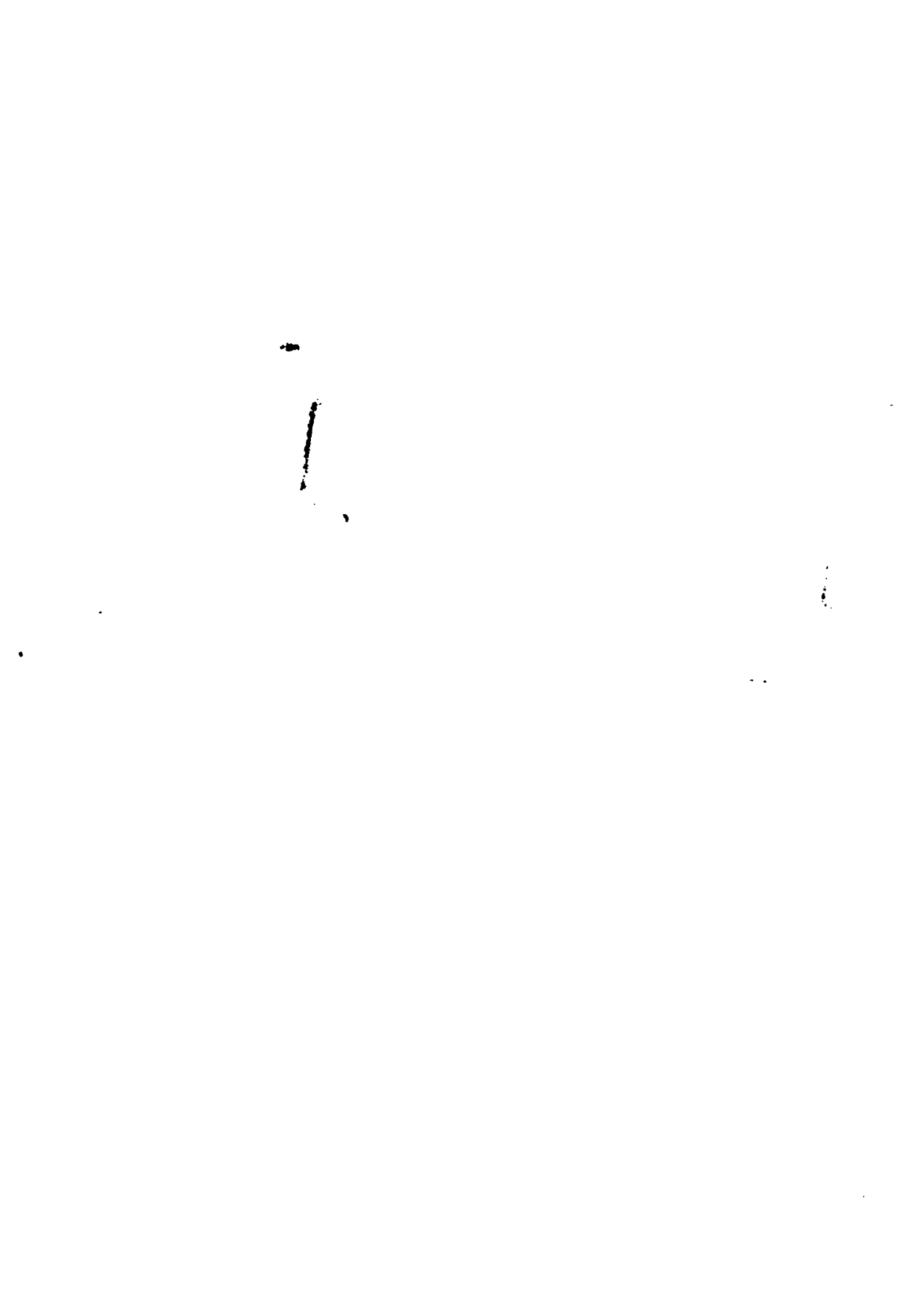
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## BRIEF SUMMARY OF MAJOR PROVISIONS OF THE PUBLIC WELFARE AMENDMENTS OF 1962

### PUBLIC ASSISTANCE

#### *A. Increase in Federal matching formula for the aged, blind, and disabled*

The Federal matching share in the case of the programs for the aged, the blind, and the disabled is increased to twenty-nine thirty-fifths of the first \$35 of the average monthly payment per recipient and the maximum for matching is raised to \$70 on a permanent basis effective October 1, 1962. The temporary provision which provided Federal matching on four-fifths of the first \$31 with a maximum of \$66 through June 30, 1962, is extended through September 30, 1962. Without such an extension the formula would revert to four-fifths of the first \$30 with a maximum of \$65. The change does not affect the special provision for medical care in the old-age assistance program. Cost (HEW estimate), \$105.5 million<sup>1</sup> (\$140.6 million for the first full year of operation).

#### *B. Rehabilitative services and training in the public assistance programs*

Prior to enactment of this law, a State could provide such services under all the public assistance programs except medical assistance for the aged. The Federal Government matched these expenditures on a 50-50 basis, under the provision governing administrative expenses.

Beginning September 1, 1962, the new law authorizes 75 percent Federal matching in all public assistance titles for certain services to be specified by the Secretary of Health, Education, and Welfare, including services to help applicants and recipients to attain self-care (old-age assistance); self-support and self-care (aid to the blind and disabled); and to strengthen family life (aid to dependent children). These services could apply also to persons "likely to become" or who "have been" recipients, on the request of such persons (within such periods as the Secretary may prescribe).

After July 1, 1963, certain minimum services to be prescribed by the Secretary must be provided by a State to applicants or recipients if it is to get the 75 percent matching.

The 75 percent matching is also available for training personnel who are employed, or who are preparing to work, in State or local welfare agencies.

Other services which the Secretary does not designate will be continued at 50 percent matching, as are all other administrative costs. Cost (HEW estimate), \$34.3 million<sup>1</sup> (with over half going into the ADC program), \$40.8 million for a full year.

#### *C. Changes in the aid to dependent children (ADC) program*

1. *Additional authority to States to prevent abuse in aid to dependent children payments.*—Provides that various actions may be taken by the States with respect to a caretaker relative to see that ADC payments are used in the best interest of the child (including the imposition of criminal or civil penalties under State law) without the loss of Federal matching funds. It also provides that, beginning October 1, 1962, and ending June 30, 1967, payments (limited in number to 5 percent of recipients) are authorized to be made to third parties interested in the welfare of the child where it is determined that the parent is so incapable of managing funds that the child's welfare is affected. Certain safeguards and standards are prescribed. Cost (HEW estimate), negligible.<sup>1</sup>

2. *Payments on the basis of the unemployment of the parent.*—This temporary provision of law, which was effective May 1, 1961, to June 30, 1962, is extended for 5 years. A provision is added which would deny aid to a parent for refusal to accept retraining without good cause. Cost (HEW estimate), \$73.4 million.<sup>1</sup>

<sup>1</sup> Cost figures for fiscal 1963.

3. *Payments for both parents.*—Federal matching is expanded to cover payments to both parents of ADC children who are needy because of the disability or unemployment of the parent. Cost (HEW estimate), \$34 million.<sup>1</sup>

4. *Community work and training programs.*—Provides that, effective July 1, 1961, to September 30, 1967, Federal matching funds would be available in cases where payments are made under work programs which are a part of the ADC program and meet certain standards. Prior law was interpreted to prohibit matching as to payments made for work by a welfare agency and such payments were financed wholly by State and local funds. Cost (HEW estimate), negligible.<sup>1</sup>

5. *Payments to children removed by court order into foster care.*—Under temporary law, which was effective May 1, 1961, to June 30, 1962, payments could be made to ADC children removed by court order into foster home care. This provision is made permanent. Payments prior to the temporary law were limited to children living with specified relatives. The States are allowed (during the period October 1, 1962, to June 30, 1963), under certain conditions, to utilize the services of other public agencies in the placement and supervision of children in foster home care pursuant to agreements with the public welfare agency. The new law also expands the program for a 2-year period (October 1, 1962, to September 30, 1964) to include children placed in private child care institutions as well as family foster homes. Cost (HEW estimate), \$4.1 million.<sup>1</sup>

#### D. *Other changes in public assistance programs*

1. *Earned income exemption for old-age assistance recipients.*—Beginning January 1, 1963, the States are permitted to exempt a portion of the earned income of old-age assistance recipients from consideration in determining their need. Of the first \$50 of earned income per month, the States may disregard up to the first \$10 completely, plus one-half of the remainder. Cost (HEW estimate), \$12.5 million<sup>1</sup> (\$25 million for first full year).

2. *Incentive for employment through consideration of expenses.*—Under the new law the States are required, in determining the amount of assistance to be provided for the needy aged, blind, disabled, and dependent children, to take into account necessary expenses that may reasonably be attributed to the earning of income. Under prior law the States could, at their option, consider such expenses.

Also, in determining "need" in the ADC program the States are allowed to disregard certain earned or other income put aside for the child's future need (e.g., such items as education or preparation for employment). Cost (HEW estimate), negligible.<sup>2</sup>

3. *Optional single State plan for the aged, blind, disabled, and medical assistance for the aged.*—States would be allowed to operate these programs under a single plan. States which select the single plan would become eligible for Federal matching for medical care for recipients of aid to the blind and to the disabled on the same basis that it is available for recipients of old-age assistance (i.e., up to \$15 a month per recipient for vendor medical care). Such additional matching would not be available if States remained under their separate programs. Separate administration would be allowed, however, for existing blind agencies. Cost (HEW estimate), \$7.4 million.<sup>1</sup>

4. *Training of public assistance workers.*—Prior law authorized the appropriation of such sums as Congress determined for grants to the States to train public welfare personnel, terminating with fiscal year 1963. Under the new law an appropriation of \$3.5 million is authorized for fiscal 1963 and \$5 million for each year thereafter. Of these amounts, the Secretary of Health, Education, and Welfare could expend up to \$1 million in fiscal year 1963 and up to \$2 million in subsequent years to provide such training (directly or through grants or contracts) with the remainder of the funds to be allotted to the States. Cost (HEW estimate), negligible.<sup>1</sup> (\$3.5 million already budgeted.)

<sup>1</sup> Cost figures for fiscal 1963.

<sup>2</sup> \$7 million a year after it goes into effect in July 1963.

<sup>3</sup> Increases to \$44 million in 1964 and subsequent years.

5. *Assistance to repatriated American citizens.*—This provision of law, which was effective June 30, 1961, to June 30, 1962, permitted temporary assistance to citizens returning from foreign countries because of illness, destitution, or crisis. It is extended for 2 years. Cost (HEW estimate), \$400,000.<sup>1</sup>

6. *Demonstration projects.*—Permits the Secretary of Health, Education, and Welfare to waive any State plan requirement which he deems necessary (such as statewide applicability of plan) for pilot or demonstration projects designed to improve the public assistance programs and provides alternative methods of financing such projects out of public assistance appropriations. Cost (HEW estimate), negligible.<sup>1</sup>

7. *Income and resources requirement in aid to the blind programs.*—In determining need for aid to the blind a State must, in addition to exempted amounts (\$85 a month in earnings plus half of the balance) exempt such other amounts of income and resources as may be necessary to fulfill a State-approved rehabilitation plan for a blind individual. Such an additional exemption cannot exceed a period of 12 months. Cost (HEW estimate), negligible.<sup>1</sup>

8. *Aid to the blind programs (Missouri and Pennsylvania).*—The provision of the 1950 amendments, which granted an exemption to certain aid to the blind programs (in effect at that time) from the income and resources test of Federal law, is placed on a permanent basis. It had been extended periodically and was to expire in 1964. Cost (HEW estimate), negligible.<sup>1</sup>

9. *Medical vendor payments prior to application for public assistance.*—Federal matching of State expenditures is authorized under the public assistance programs, including medical assistance for the aged, for medical or remedial care furnished to recipients up to 3 months before the month in which they apply for assistance. Cost (HEW estimate), negligible.<sup>1</sup>

#### CHILD WELFARE SERVICES—DAY CARE

The authorization for child welfare services is increased from \$25 million per year to \$30 million for 1963, \$35 million in 1964, \$40 million in 1965–66, \$45 million in 1967–68, and \$50 million in 1969 and thereafter. Of the amount between \$25 and \$35 million, there is specific earmarking for day care of children of not more than \$5 million in 1963 and not more than \$10 million in subsequent years. Cost (HEW estimate), \$5 million<sup>1</sup> (increasing in subsequent years as noted above).

#### ADVISORY COUNCIL

Provides for an Advisory Council, to be appointed by the Secretary of Health, Education, and Welfare in 1964, to review the status of the public assistance and child welfare services programs and report its findings to the Secretary. The Secretary is also authorized to appoint advisory committees to advise and consult with him in carrying out his functions under the Social Security Act. The Secretary is to report to the Congress each year on his use of such committees, their numbers, and their activities.<sup>1</sup>

<sup>1</sup> Cost figures for fiscal 1963.

**COMPARISON SHOWING CHANGES MADE IN PUBLIC ASSISTANCE BY PUBLIC LAW 87-543**

Item	Prior law	Public Law 87-543																																																																				
<p>I. Increase in the Federal matching formula:                      A. Payments for old-age assistance, aid to the blind, and aid to the permanently and totally disabled:</p>	<p>Temporary Federal matching share was \$24.80 of the first \$31 (⅔ of the first \$31) with variable grant matching on the amount above \$31 up to a maximum of \$66 per recipient per month. After June 30, 1962, the formula was to revert to ⅔ of the first \$30 with variable grant matching up to a maximum of \$65 a month per recipient.</p> <p>Variable grant matching for States whose per capita income is at or above the national average is 50 percent, while for States below the national average it varies up to 65 percent.</p> <p>The "Federal percentages" as promulgated for the period July 1, 1961, through June 30, 1963, are as follows:</p> <table border="0"> <thead> <tr> <th style="text-align: left;">State:</th> <th style="text-align: right;"><i>Federal percentages</i></th> </tr> </thead> <tbody> <tr><td>Alabama.....</td><td>65.00</td></tr> <tr><td>Alaska.....</td><td>50.00</td></tr> <tr><td>Arizona.....</td><td>58.39</td></tr> <tr><td>Arkansas.....</td><td>65.00</td></tr> <tr><td>California.....</td><td>50.00</td></tr> <tr><td>Colorado.....</td><td>52.78</td></tr> <tr><td>Connecticut.....</td><td>50.00</td></tr> <tr><td>Delaware.....</td><td>50.00</td></tr> <tr><td>District of Columbia.....</td><td>50.00</td></tr> <tr><td>Florida.....</td><td>58.44</td></tr> <tr><td>Georgia.....</td><td>65.00</td></tr> <tr><td>Hawaii.....</td><td>53.38</td></tr> <tr><td>Idaho.....</td><td>65.00</td></tr> <tr><td>Illinois.....</td><td>50.00</td></tr> <tr><td>Indiana.....</td><td>52.03</td></tr> <tr><td>Iowa.....</td><td>58.48</td></tr> <tr><td>Kansas.....</td><td>57.52</td></tr> <tr><td>Kentucky.....</td><td>65.00</td></tr> <tr><td>Louisiana.....</td><td>65.00</td></tr> <tr><td>Maine.....</td><td>65.00</td></tr> <tr><td>Maryland.....</td><td>50.00</td></tr> <tr><td>Massachusetts.....</td><td>50.00</td></tr> <tr><td>Michigan.....</td><td>50.00</td></tr> <tr><td>Minnesota.....</td><td>57.96</td></tr> <tr><td>Mississippi.....</td><td>65.00</td></tr> <tr><td>Missouri.....</td><td>52.91</td></tr> <tr><td>Montana.....</td><td>55.74</td></tr> <tr><td>Nebraska.....</td><td>58.86</td></tr> <tr><td>Nevada.....</td><td>50.00</td></tr> <tr><td>New Hampshire.....</td><td>58.18</td></tr> <tr><td>New Jersey.....</td><td>50.00</td></tr> <tr><td>New Mexico.....</td><td>65.00</td></tr> <tr><td>New York.....</td><td>50.00</td></tr> </tbody> </table>	State:	<i>Federal percentages</i>	Alabama.....	65.00	Alaska.....	50.00	Arizona.....	58.39	Arkansas.....	65.00	California.....	50.00	Colorado.....	52.78	Connecticut.....	50.00	Delaware.....	50.00	District of Columbia.....	50.00	Florida.....	58.44	Georgia.....	65.00	Hawaii.....	53.38	Idaho.....	65.00	Illinois.....	50.00	Indiana.....	52.03	Iowa.....	58.48	Kansas.....	57.52	Kentucky.....	65.00	Louisiana.....	65.00	Maine.....	65.00	Maryland.....	50.00	Massachusetts.....	50.00	Michigan.....	50.00	Minnesota.....	57.96	Mississippi.....	65.00	Missouri.....	52.91	Montana.....	55.74	Nebraska.....	58.86	Nevada.....	50.00	New Hampshire.....	58.18	New Jersey.....	50.00	New Mexico.....	65.00	New York.....	50.00	<p>Effective October 1, 1962, Federal matching share is increased on permanent basis to \$29 out of first \$35 (⅔ of the first \$35) up to a maximum of \$70 per recipient per month. The temporary increase is extended through Sept. 30, 1962.</p>
State:	<i>Federal percentages</i>																																																																					
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North Carolina.....	65.00
North Dakota.....	65.00
Ohio.....	50.00
Oklahoma.....	65.00
Oregon.....	62.40
Pennsylvania.....	60.00
Rhode Island.....	51.09
South Carolina.....	65.00
South Dakota.....	65.00
Tennessee.....	65.00
Texas.....	60.79
Utah.....	63.74
Vermont.....	65.00
Virginia.....	64.91
Washington.....	50.00
West Virginia.....	65.00
Wisconsin.....	53.10
Wyoming.....	50.86

(25 F.R. 8727)

*Vendor medical payments.*—For old-age assistance only there is additional Federal matching as to medical vendor payments (i.e., payments directly to the providers of medical services) with respect to State expenditures for medical or remedial care, the larger of the following alternatives:

“Federal medical percentage” of vendor payment expenditures that are above \$66 per month, up to \$15 per recipient per month.

or

15 percent of vendor payment expenditures, up to \$15 per recipient per month.

The “Federal medical percentage” is dependent on the relationship between State per capita income and the National per capita income. The percentage ranges from 50 percent for States at or above the national average to 80 percent for States with the lowest income. (See percentages, next page).

For States with average monthly payments over \$66, the Federal Government participates at the rate of the “Federal medical percentage” in the expenditures over \$66 except that such participation is limited to the amount of the average vendor medical payment up to \$15 per recipient per month.

For States with average monthly payments of \$66 per month or less, the Federal share in average vendor medical payments up to \$15 per recipient per month is an additional 15 percentage points over and above the “Federal percentage” used to compute the Federal share of money payments.

Provision is also made that a State with an average payment over \$66 per month can never receive less in additional Federal funds in respect to such medical service costs than if it had an average payment of \$66 per month.

Permits Federal matching of State expenditures under all four public assistance programs for medical or remedial care furnished within 3 months before the month in which a person applies for assistance.

For those States which adopt the optional combined aged, blind, and disabled program (see p. 16) the additional \$15 matching for medical vendor payments (now applicable exclusively to old-age assistance) will be applicable to the blind and disabled recipients under the new combined title (XVI). (Effective quarter beginning Oct. 1, 1962.)

Formula also changed to reflect new matching maximum on assistance payments of \$70.

**COMPARISON SHOWING CHANGES MADE IN PUBLIC ASSISTANCE BY PUBLIC LAW 87-543—Continued**

Item	Prior law	Public Law 87-543																																																																		
I. Increase in the Federal matching formula—Continued																																																																				
B. Payments for aid to dependent children.	For money and medical vendor payments the Federal share is \$14 out of the first \$17 ( $\frac{14}{17}$ of the first \$17) per recipient per month with variable grant matching on the amount above \$17 up to a maximum of \$30 per recipient per month. Variable grant matching for the States are at the same percentages as old-age assistance money payment matching.	No change other than provision of Federal matching for additional recipients (second parent), see p. 11.																																																																		
C. Payments for medical assistance for the aged.	The Federal share of expenditures for medical vendor payments is based on a variable grant matching formula which runs from 50 percent for States at and above the national per capita average up to 80 percent for the lowest per capita income State. The Federal share (the Federal-medical percentage) for each State is as follows:	No change, other than to permit Federal matching of State expenditures for medical or remedial care furnished within 3 months before the month in which a person applies for assistance.																																																																		
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	<table border="0"> <thead> <tr> <th data-bbox="575 652 1017 672">State:</th> <th data-bbox="1023 652 1096 672">Percentage</th> </tr> </thead> <tbody> <tr><td>Alabama.....</td><td>79.04</td></tr> <tr><td>Alaska.....</td><td>50.00</td></tr> <tr><td>Arizona.....</td><td>58.39</td></tr> <tr><td>Arkansas.....</td><td>80.00</td></tr> <tr><td>California.....</td><td>50.00</td></tr> <tr><td>Colorado.....</td><td>52.78</td></tr> <tr><td>Connecticut.....</td><td>50.00</td></tr> <tr><td>Delaware.....</td><td>50.00</td></tr> <tr><td>District of Columbia.....</td><td>50.00</td></tr> <tr><td>Florida.....</td><td>58.44</td></tr> <tr><td>Georgia.....</td><td>75.04</td></tr> <tr><td>Hawaii.....</td><td>53.38</td></tr> <tr><td>Idaho.....</td><td>68.29</td></tr> <tr><td>Illinois.....</td><td>50.00</td></tr> <tr><td>Indiana.....</td><td>52.03</td></tr> <tr><td>Iowa.....</td><td>58.48</td></tr> <tr><td>Kansas.....</td><td>57.52</td></tr> <tr><td>Kentucky.....</td><td>75.57</td></tr> <tr><td>Louisiana.....</td><td>72.55</td></tr> <tr><td>Maine.....</td><td>68.60</td></tr> <tr><td>Maryland.....</td><td>50.00</td></tr> <tr><td>Massachusetts.....</td><td>50.00</td></tr> <tr><td>Michigan.....</td><td>50.00</td></tr> <tr><td>Minnesota.....</td><td>57.96</td></tr> <tr><td>Mississippi.....</td><td>80.00</td></tr> <tr><td>Missouri.....</td><td>52.91</td></tr> <tr><td>Montana.....</td><td>55.74</td></tr> <tr><td>Nebraska.....</td><td>56.86</td></tr> <tr><td>Nevada.....</td><td>50.00</td></tr> <tr><td>New Hampshire.....</td><td>58.18</td></tr> <tr><td>New Jersey.....</td><td>50.00</td></tr> <tr><td>New Mexico.....</td><td>65.22</td></tr> </tbody> </table>	State:	Percentage	Alabama.....	79.04	Alaska.....	50.00	Arizona.....	58.39	Arkansas.....	80.00	California.....	50.00	Colorado.....	52.78	Connecticut.....	50.00	Delaware.....	50.00	District of Columbia.....	50.00	Florida.....	58.44	Georgia.....	75.04	Hawaii.....	53.38	Idaho.....	68.29	Illinois.....	50.00	Indiana.....	52.03	Iowa.....	58.48	Kansas.....	57.52	Kentucky.....	75.57	Louisiana.....	72.55	Maine.....	68.60	Maryland.....	50.00	Massachusetts.....	50.00	Michigan.....	50.00	Minnesota.....	57.96	Mississippi.....	80.00	Missouri.....	52.91	Montana.....	55.74	Nebraska.....	56.86	Nevada.....	50.00	New Hampshire.....	58.18	New Jersey.....	50.00	New Mexico.....	65.22	
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Nebraska.....	56.86																																																																			
Nevada.....	50.00																																																																			
New Hampshire.....	58.18																																																																			
New Jersey.....	50.00																																																																			
New Mexico.....	65.22																																																																			

New York.....	50.00
North Carolina.....	77.47
North Dakota.....	72.44
Ohio.....	50.00
Oklahoma.....	68.53
Oregon.....	52.40
Pennsylvania.....	50.00
Rhode Island.....	51.09
South Carolina.....	80.00
South Dakota.....	72.18
Tennessee.....	75.87
Texas.....	60.79
Utah.....	63.74
Vermont.....	67.07
Virginia.....	64.91
Washington.....	50.00
West Virginia.....	70.32
Wisconsin.....	53.10
Wyoming.....	50.86
Guam.....	50.00
Puerto Rico.....	50.00
Virgin Islands.....	50.00

(25 F.R. 9615.)

D. Special formula for Puerto Rico,  
Virgin Islands, and Guam.

1. Matching formula.....

Federal matching on a 50-50 basis on both money and vendor medical payments up to a maximum of \$35.50 (to revert to \$35 after June 30, 1962) a month times the number of recipients on the old-age, blind, and disabled program with a maximum of \$18 a month times the number of recipients on the aid to dependent children program.

Additional matching for vendor medical expenditures is available for up to \$7.50 per month per recipient on old-age assistance rather than the additional \$15 per month per recipient which applies to the States and the District of Columbia.

2. Dollar limitation.....

Total Federal payments for all 4 public assistance programs may not exceed—

	Fiscal 1963	1963 and after
Puerto Rico.....	\$9,500,000	\$9,125,000
Virgin Islands.....	320,000	318,750
Guam.....	430,000	425,000

In each case a portion of these amounts is only available if used to provide additional medical vendor payments on behalf of assistance recipients:

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

Federal payments for programs of medical assistance for the aged are excepted from dollar limitation provision.

Raises the maximum for Federal matching to \$37.50 per recipient per month for the old-age, blind, and disabled programs.

No change in additional (\$7.50) medical vendor matching for old-age assistance. Also separate vendor matching will be available under new combined title (XVI) for blind and disabled. (See p. 16.)

Raises dollar limitation of fiscal 1963 and thereafter to—

Puerto Rico.....	\$9,800,000
Virgin Islands.....	330,000
Guam.....	450,000

No change.

**COMPARISON SHOWING CHANGES MADE IN PUBLIC ASSISTANCE BY PUBLIC LAW 87-543—Continued**

Item	Prior law	Public Law 87-543
<p>1. Increase in the Federal matching formula—Continued</p> <p>E. Provision of rehabilitation services and training of welfare agency personnel (administrative expenses):</p> <p>1. Type of services and Federal matching.</p>	<p>The Federal Government shares with the States on a dollar-for-dollar basis (50 percent) in the administrative costs of carrying out the public assistance programs for the aged, blind, disabled, dependent children, and medical assistance for the aged. A State may include within its matched administrative expenses, services to help applicants for and recipients of public assistance to attain self-care, (old-age assistance); self-support and self-care (aid to the blind and aid to the disabled); and to maintain and strengthen family life (aid to dependent children). There is no provision authorizing services for medical assistance for the aged.</p>	<p>Beginning Sept. 1, 1962, the Federal Government will pay 75 percent of the cost of—</p> <p>(1) certain services, to be prescribed by the Secretary of Health, Education, and Welfare: In the case of aged applicants and recipients, "to help them attain or retain capability for self-care"; in the case of applicants and recipients on the blind and disabled program, "to help them attain or retain capability for self-support or self-care"; in the case of the dependent children program, "to maintain and strengthen family life for children, and to help relatives specified in the act with whom children * * * are living to attain or retain capability for self-support or self-care."</p> <p>(2) other services provided to applicants or recipients specified by the Secretary as likely to prevent or reduce dependency;</p> <p>(3) services described in (1) and (2) specified by the Secretary as appropriate for individuals who, within the periods prescribed by the Secretary, have been or are likely to become applicants for or recipients of public assistance and who request such services;</p> <p>(4) training of personnel employed or preparing for employment with a State or local public assistance agency.</p> <p>If the services prescribed in (1) above are not provided by a State by July 1, 1963 (except as to MAA), the State would not be entitled to any 75-percent Federal matching on any of the services or training provided in (1), (2), (3), and (4). In this case the Federal Government would pay 50 percent of the cost of any such services, just as it would do as to any other services and ordinary administrative costs.</p>
<p>2. Providers of services-----</p>	<p>Services are to be provided by the staff of the State welfare agency but, in the provision of these services, there must be maximum utilization of other agencies providing similar or related services.</p>	<p>Same as under existing law, but services may also be furnished, pursuant to agreement with the State welfare agency, by a State health or vocational rehabilitation agency or by other State agencies which the Secretary deems appropriate (whether provided by its staff or by contract with nonprofit private or local public agencies). The provision of services by other agencies are subject to limitations by the Secretary and must be services which in the judgment of the State welfare agency, cannot be as economically or effectively provided by its staff and are not otherwise reasonably available to individuals in need of</p>

**II. Changes in the aid to dependent children (ADC) program:**

**A. Extension of program to families with unemployed parents:**

**1. Eligibility requirements....**

For period beginning May 1, 1961, and ending June 30, 1962, Federal participation was authorized in payments to children who are deprived of parental support or care "by reason of the unemployment of a parent" as defined by State.

Prior to effective date of temporary provision Federal matching had been limited to needy dependent children under 18 (and 1 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.)

**2. State plan requirements....**

Various regular aid to dependent children program 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.

Also, additional requirements applicable only to unemployed parent provision specifying that State plan—

(a) give 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;

(b) 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; and

(c) provide for entering into cooperative arrangements with the State vocational education agency looking toward maximum utilization of its services and facilities to encourage retraining of such unemployed parent.

them. However, vocational rehabilitation services may not be provided by the staff of the State or local welfare agency if they are available to individuals in need of them under the State vocational rehabilitation plan or if the State vocational rehabilitation agency is able and willing to provide them on a reimbursable basis pursuant to an agreement with the public welfare agency. Nor may the State public welfare agency make arrangements with any other State agency for vocational rehabilitation services which the State vocational rehabilitation agency is able and willing to provide pursuant to an agreement.

1. Program is extended for 5 years through June 30, 1967.

Federal matching authorized also as to spouse of the parent (but not as to any spouse of a specified relative). See C, p. 11.

2. No change, except as noted below.

(a) No change.

(b) No change.

(c) Adds requirement that State plan must provide for denying aid to families for as long as the unemployed parent refuses without good cause to undergo such retraining. Effective July 1, 1963.

**COMPARISON SHOWING CHANGES MADE IN PUBLIC ASSISTANCE BY PUBLIC LAW 87-543—Continued**

Item	Prior law	Public Law 87-543
<p><b>II. Changes in the aid to dependent children (ADC) program—Continued</b></p> <p><b>A. Extension of program to families with unemployed parents—Continued</b></p> <p><b>2. State plan requirements—Continued</b></p> <p><b>B. Program of Federal payments for foster care of dependent children.</b></p>	<p>Also allows any State, at its option, to provide for the denial of all (or any part) of aid under the plan to which any child or relative might be entitled for any month, if the unemployed parent receives compensation under an unemployment compensation law of a State or of the United States for any week, any part of which is included in such month.</p> <p>Prior to temporary provision no Federal participation was authorized for children in foster care since program was limited to children living in home of a parent or a relative of the degree noted above.</p> <p>For period beginning May 1, 1961, and ending June 30, 1962 allowed Federal payments with respect to any child otherwise not eligible who—</p> <p>(1) is removed, after Apr. 30, 1961, from home of specified relative as a result of a judicial determination that continuation therein would be contrary to his welfare;</p> <p>(2) is placed in a foster family home (approved by the State) as a result of such determination; and</p> <p>(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.</p>	<p>No change.</p> <p>Makes provision permanent.</p> <p>(1) No change.</p> <p>(2) Expanded to allow Federal participation (for the period Oct. 1, 1962, through Sept. 30, 1964) as to children placed in a nonprofit private child-care institution, subject to limitations prescribed by the Secretary to include within Federal participation only cost items which are included in foster family home care.</p> <p>Provision is made for payments by the State or local agency for foster care in a foster family home or a child-care institution either directly or through a public or nonprofit private child-placement or child-care agency.</p> <p>(3) For the period Oct. 1, 1962, to June 30, 1963, responsibility for the placement and care of dependent children placed in foster care homes may rest either with the State or local agency administering the program under title IV or with any other public agency with whom the administering agency has an agreement. Such agreement must include provision for assuring development of a plan for each child which is satisfactory to the State public assistance agency and such other provisions as may be necessary to assure that the objectives of the State plan approved under title IV are met. The Secretary is to submit a report by Mar. 1, 1963, describing experience under the provision and his recommendations as to its continuance or modification.</p>

C. Federal matching as to both parents.

The formula authorizes Federal participation as to only one parent (or other relative).

Authorizes Federal participation in payments to the spouse of the parent (who is living with the parent) but only if the child is a dependent child because of the disability or unemployment of the parent. The provision is not applicable to the spouses of other specified relatives.

D. Determination of need.....

A State agency, in determining need, must take into consideration any other income and resources of any individuals claiming assistance. Under present administrative practice States are encouraged, but not required, to take into account expenses incurred in the earning of income. Also under present administrative practice States are allowed at their option to disregard certain amounts of income set aside for education, employment training, etc., of a child but no differentiation is allowed between types of income—earned or unearned.

Effective as to expenditures after Sept. 30, 1962. Requires that a State agency, in determining need, must take into account any expenses that may be reasonably attributable to the earning of income. Allows States, subject to limitations prescribed by the Secretary, to permit all or any portion of the earned or other income to be disregarded if set aside for future identifiable needs of a dependent child. Effective July 1, 1963.

E. Protective payments and other State action to protect interests of ADC children.

Federal financial participation as to money payments to needy persons or their legal guardians has been authorized since 1935. Vendor payments, made directly to the suppliers of medical services on behalf of recipients have been authorized by the 1950 amendments. Since 1958, payments have been authorized to be made to another person who is judicially appointed for the purpose of receiving and managing such assistance payments (whether or not he is such individual's legal representative for other purposes).

Authorizes protective payments to be made, in a limited number of cases (limited in number to 5 percent of recipients), to a person who is interested in or concerned with the welfare of the dependent child and relative, under a State plan which provides for—

(1) determination by the State agency that payments in this form are necessary because the relative is so unable to manage funds that it would be contrary to the child's welfare to make payments to such relative;

(2) meeting all the need of individuals (in conjunction with other income and resources), with respect to whom they are made, under rules otherwise applicable under the State plan for determining need and the amount of assistance to be paid.

(3) special efforts to improve the ability of the relative to manage funds, and periodical review of the situation to determine whether such payments to another interested person are still necessary—and with provision for judicial appointment of a guardian or legal representative if the need for payments to another interested person continues beyond a period specified by the Secretary;

(4) opportunity for a fair hearing before the State agency on the determination that payments to another interested person on behalf of the child and relative are necessary; and

(5) aid in the form of foster family care, as provided for in the Social Security Act.

Effective Oct. 1, 1962, and ending June 30, 1967. Prior to Jan. 1, 1967, the Secretary shall submit a report with recommendations on the provision to the Congress.

Authorizes the State agency to take the following steps, without losing Federal matching funds, whenever it has reason to believe that payments to a relative for the benefit of a child are not being or may not be used in the best interests of the child:

(1) To provide the relative with counseling and guidance concerning the use of payments and management of other funds to assure their use in the best interests of the child;

**COMPARISON SHOWING CHANGES MADE IN PUBLIC ASSISTANCE BY PUBLIC LAW 87-543—Continued**

Item	Prior law	Public Law 87-543
<p>II. Changes in the aid to dependent children (ADC) program—Continued                      E. Protective payments and other State action to protect interests of ADC children—Con.</p>		<p>(2) To advise the relative that continued misuse of payments will result in substitution of protective payments (described above), or in seeking appointment of a guardian or legal representative; or                      Moreover, the imposition of criminal or civil penalties, under State law, upon determination by a court of competent jurisdiction that the relative is not using, or has not used, payments for the benefit of the child shall not be the basis for withholding of Federal matching funds.</p>
<p>F. 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. 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 homes determined to be unsuitable unless the State made other provision for the children affected. Legislation in 1961 extended the grace period until Sept. 1, 1962, for States with "unsuitable home" statutes for compliance with the Department's ruling. 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>Provides that a State with such a statute will not lose Federal matching after the termination of the grace period if provision is otherwise made pursuant to a State statute for adequate care and assistance with respect to such a child.</p>
<p>G. Community work and training programs.</p>	<p>Under interpretation of law, there is no Federal matching for aid to dependent children payments which are made as remuneration for work performed under such programs.</p>	<p>Federal matching is authorized, for the period July 1, 1961, to Sept. 30, 1967, as to payments for work performed by a relative (18 years of age or older) with whom the child is living. Federal participation in these payments after Sept. 30, 1962, may be made only under limited conditions designed to assure protection of the health and welfare of the children and their relatives:</p> <p>(1) The work must be performed for the State public assistance agency or another public agency under a program (which need not be in effect throughout the State) administered by or under the supervision of the State public assistance agency.</p> <p>(2) There must be State financial participation in these expenditures.</p> <p>(3) The State plan must include provisions which give reasonable assurance that—</p> <p>(a) appropriate health, safety, and other conditions of work will be maintained;</p> <p>(b) the rates of pay will be not less than the applicable minimum rate under State law for the same type of work, if there is any such rate, and</p>



not less than the prevailing wage rates on similar work in the community;

(c) the work projects will serve a useful public purpose; will not displace regular workers or be a substitute for work that would otherwise be performed by employees of public or private agencies, institutions, or organizations; and (except in the case of emergency or nonrecurring projects) will be of a type not normally undertaken by the State or community in the past;

(d) the additional expenses of the work will be considered in determining the worker's needs;

(e) the worker will have reasonable opportunities to seek regular employment and secure appropriate training or retraining and will be provided with protection under the State workmen's compensation law or similar protection; and

(f) aid will not be denied because of a relative's refusal with good cause to perform work under the program.

(4) The State plan must also include provision for—

(a) cooperative arrangements with the public employment offices and with the State vocational education and adult education agency or agencies looking toward employment and occupational training of the relatives and maximum use of public vocational or adult education services and facilities in their training or retraining;

(b) assuring appropriate arrangements for the care and protection of the child during the relative's absence from the home in order to perform the work under the program;

(c) such other provisions as the Secretary finds necessary to assure that the operation of the program will not interfere with the objectives of the Aid to Dependent Children program.

(5) A State participating in such a program must also provide (in its State plan) that there will be no adjustment or recovery by the State or any locality on account of any payments which are correctly made for the work.

The cost of administration of a State plan for which Federal funds are paid may not include the cost of making or acquiring materials or equipment in connection with work under a community work and training program or the cost of supervision of that work, and may only include those other costs attributable to the programs which are permitted by the Secretary.

Prior to Oct. 1, 1962, Federal matching would be available as to plans which do not meet the requirements of (1), (3)(d), and the workmen's compensation requirement of 3(e). The Secretary is required to submit a report to the President, for transmission to the Congress prior to Jan. 1, 1967, on the administration of the provisions and the experience of the States with community work and training programs, together with the Secretary's recommendations for continuation of and modifications in these provisions.

**COMPARISON SHOWING CHANGES MADE IN PUBLIC ASSISTANCE BY PUBLIC LAW 87-543—Continued**

Item	Prior law	Public Law 87-543
<p><b>II. Changes in the aid to dependent children (ADC) program—Continued</b></p> <p><b>H. Payments to relatives when child is receiving vendor payments.</b></p> <p><b>I. Change of program's name.....</b></p> <p><b>J. Services under aid to dependent children program.</b></p>	<p>Payment is made to a specified relative with whom the child is living only if the aid received by the child is in the form of money payments.</p> <p>Title IV provides grants to the States for aid to dependent children.</p> <p>No specific provision.....</p>	<p>Permits the relative to receive money payments or medical care whether the child is receiving aid in the form of money payments or in the form of vendor payments for medical care. Effective July 1, 1962.</p> <p>Changes name to "Aid and Services to Needy Families With Children."</p> <p>Requires that the State plan for aid to dependent children must provide for the development and application of a program for such welfare and related services for each child who receives ADC as may be necessary in the light of the particular home conditions and other needs of the child; and must provide for the coordination of this program with the child welfare services plan developed in the State, with a view toward providing welfare and related services which will best promote the child's and his family's welfare. Effective July 1, 1963.</p>
<p><b>III. Other changes in public assistance programs:</b></p> <p><b>A. Consideration of expenses in determination of need.</b></p> <p><b>B. Training of public assistance personnel:</b></p>	<p>In determining need in the old-age, blind, dependent children, and disabled program the State agency must take into consideration any other income and resources of the individual claiming assistance except for the aid to the blind program. [See special exemptions for aid to the blind program sec. III-E, p. 16.]</p> <p>Under current administrative policy, the States are encouraged but not required to take into account expenses incurred in earning income.</p> <p>Authorizes the appropriation of such sums as Congress may determine for Federal grants to States (without a matching requirement) to assist in 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 are based on population, need for personnel, and financial need.</p>	<p>In determining the need of an old-age assistance recipient, a State may, after Dec. 31, 1962, disregard a portion of earned income. Of the first \$50 per month, the State may disregard up to the first \$10 completely, plus one-half of the remainder.</p> <p>Requires that a State agency, in determining need, must take into account any expenses that may be reasonably attributable to the earning of income Effective July 1, 1963.</p> <p>Authorizes the appropriation of \$3,500,000 for fiscal year 1963 and \$5,000,000 for each fiscal year thereafter for training programs to be provided in part by the Secretary of Health, Education, and Welfare and in part by the States.</p> <p>Of the total sums appropriated there shall be available to the Secretary up to \$1,000,000 in fiscal 1963 and up to \$2,000,000 in each subsequent fiscal year to provide directly or through grants to or contracts with (1) public or nonprofit private institutions of higher learning, for training personnel who are employed or preparing for employment in the administration of public assistance programs; (2) public or nonprofit private agencies or institutions, for special courses of study or seminars of short duration (not in excess of 1 year) for training of such personnel; and (3) public or nonprofit private institutions of higher learning, for establishing and maintaining fellowships or traineeships for personnel at such institutions with stipends and allowances as may be permitted by the Secretary.</p>

C. Repatriated American citizens:

1. General purpose.....

Authorized until June 30, 1962, a Federal program of "temporary assistance" to certain U.S. citizens who have returned from foreign countries and are without available resources.

2. Eligibility.....

U.S. citizens and their dependents would be eligible if—  
(1) Such individuals are identified by the Department of State as having returned, or been brought, from a foreign country to the United States.

(2) The cause of such return is any of the following—  
(a) The destitution of the U.S. citizen,  
(b) The illness of the U.S. citizen,  
(c) The illness of any of his dependents, or  
(d) War, threat of war, invasion, or similar crisis, and

(3) Such individuals are without available resources.

3. Scope of assistance.....

"Temporary assistance" includes the following:

- (1) Money payments;
- (2) Medical care;
- (3) Temporary billeting;
- (4) Transportation; and
- (5) Other goods and services necessary for the health or welfare of individuals (including guidance, counseling, and other welfare services).

All assistance must be rendered within the United States, and must be furnished to individuals after their return from foreign countries. The Secretary of Health, Education, and Welfare is authorized to provide such assistance either directly, or through public or private agencies according to agreements entered into by the Secretary and the agencies.

Provision must be made for the reimbursement of the United States by recipients of assistance. However, the Secretary is authorized to exempt certain classes of individuals from this requirement.

4. Plans and arrangements.....

The Secretary of Health, Education, and Welfare is authorized to make plans for the carrying out of the program, but he is required to make such plans after consultation with the Secretaries of State and Defense, and the Attorney General.

D. Demonstration projects.....

Federal participation under public assistance titles is dependent upon a State complying with State plan requirements such as statewide applicability of the program and consideration of all income and resources.

Sec. 1110 authorizes appropriation of such funds as Congress may determine each year for cooperative research and demonstration projects relating to public assistance matters.

To the extent found necessary, the Secretary may prescribe requirements to assure repayment of funds expended by him for fellowships and traineeships if an individual fails to work a prescribed period of time in a Federal, State, or local public assistance program. The remaining sums appropriated will be allotted to the States to be expended as under prior law.

1. Extends program 2 years until June 30, 1964.

2. No change.

3. No change.

4. No change.

Authorizes the Secretary to waive any of the State plan requirements under the public assistance titles, when he determines it to be necessary to carry out an experimental, pilot, or demonstration project. Federal matching in the cost of such projects, in which the Federal Government would not otherwise participate, would be authorized, to the extent and for the period prescribed by the Secretary, as expenditures for payments or for cost of administration of State plans.

**COMPARISON SHOWING CHANGES MADE IN PUBLIC ASSISTANCE BY PUBLIC LAW 87-543—Continued**

Item	Prior law	Public Law 87-543
<p>III. Other changes in public assistance programs—Continued  D. Demonstration projects—Con.</p>		
<p>E. Income and resources requirement in aid to the blind program.</p>	<p>In determining need of an individual claiming aid to the blind a State agency must take into consideration any other income and resources of the individual, but the State agency must disregard the first \$85 per month of earned income plus half of monthly earnings over that amount.</p>	<p>The State share of the cost of projects not covered by payments under public assistance titles or sec. 1110, could, until July 1, 1967, be made from appropriations for payment to States under such titles, up to \$2,000,000 a year.</p> <p>In addition, after June 30, 1963, the State agency must disregard such additional amounts of other income and resources, in the case of an individual who has a State-approved plan for achieving self-support, as may be necessary to fulfill such plan for a period not to exceed 12 months.</p>
<p>F. Income and resources requirement for the blind (Missouri and Pennsylvania).</p>	<p>Sec. 344 of the Social Security Act Amendments of 1950 (temporary provision due to expire June 30, 1964) authorizes Federal financial participation in aid to the blind programs of certain States (Missouri and Pennsylvania) on Jan. 1, 1949, even though they included recipients who did not meet the Federal requirements as to taking into consideration all of an individual's other income and resources in determining his need for aid to the blind. However, as to recipients under the State plan who do not meet the income and resources test, there is no Federal participation.</p>	<p>Makes provision a permanent part of the Social Security Act.</p>
<p>G. Optional combined State plan for aged, blind, disabled, and medical assistance for the aged.</p>	<p>Aged, blind, and disabled programs are established under separate titles of the Social Security Act (titles I, X, and XIV). There is a separate matching maximum for the recipients in each categorical program. Additional matching is available for medical care vendor payments under old age assistance only.</p>	<p>Provides a new title to be added to the Social Security Act—title XVI—permitting States, if they choose, to file a combined plan for old-age assistance, aid to the blind, aid to the permanently and totally disabled, and medical assistance for the aged. If a State does not administer one or more of these programs, such program does not have to be established in order to have a combined plan.</p> <p>With but a few exceptions noted below, present provisions of existing law as to the separate programs are carried into the new combined title.</p> <p>States which elect the new combined title would receive the additional Federal matching for medical vendor payments as to their blind and disabled recipients, which is now available only as to old-age-assistance recipients. (See p. 5.) The provisions allowing matching as to old-age-assistance recipients for the first 42 days of a stay in a medical institution under diagnosis of tuberculosis or psychosis, would apply as to blind and disabled recipients.</p> <p>States could average their assistance payments for the aged, blind, and disabled. If the State's average payment for old-age assistance, for example, exceeded the Federal matching maximum, the State receives no Federal funds with respect to expenditures above the maximum, even though in another assistance program, the average State expenditure may be be-</p>

low the specified matching maximum. States which choose to combine their programs, under the terms of the new title XVI, could average the expenditures as among the categories.

If a title XVI plan is submitted by a State it cannot also have a plan under titles I, X, or XIV, either concurrently or subsequently.

Those States with separate agencies administering programs for the blind can submit a separate blind program under this title and still derive the medical care advantage.

The substantive provisions of the medical assistance for the aged program, while incorporated in this title, are in no way changed.

Effective as to quarters commencing Oct. 1, 1962, and thereafter.

**COMPARISON SHOWING CHANGES MADE IN CHILD WELFARE SERVICES BY PUBLIC LAW 87-543**

I. Authorisation of annual appropriation.	Authorizes \$25,000,000 per year.....	<p>Authorizes:</p> <p>\$30,000,000, fiscal 1963;          \$35,000,000, fiscal 1964;          \$40,000,000, fiscal 1965;          \$40,000,000, fiscal 1966;          \$45,000,000, fiscal 1967;          \$45,000,000, fiscal 1968;          \$50,000,000, fiscal 1969 and succeeding years.</p>
II. Allotment and reallocation to States..	<p>Out of the sum appropriated allots to each State such portion of \$70,000 as the amount appropriated bears to the amount authorized to be appropriated. But this lump sum allotment must be at least \$50,000 per State. The remainder of sums appropriated shall be allotted so that each State shall have an amount which bears the same ratio to the total remainder as the product of (1) the population of each State under the age of 21 and (2) the allotment percentage (based on relative per capita income) bears to the sum of the corresponding products of all the States.</p> <p>The amount of any allotment to a State which the State certifies to the Secretary will not be required for carrying out the State plan, is available for reallocation to other States which the Secretary determines to have a need for additional sums for carrying out their State plans. In making reallocations the Secretary must take into consideration the relative population and per capita income of the States.</p>	<p>A portion of the appropriation is earmarked for support of day care activities in the States (described below). This portion is equal to the amount by which the appropriated amount exceeds \$25,000,000, but cannot exceed \$10,000,000. The remainder of the appropriated sum (after earmarking of sums for day care) is allotted as follows:</p> <p>If the appropriation is \$25,000,000 or over, each State would receive an initial allotment of \$70,000.</p> <p>If the appropriation is less than \$25,000,000, the initial allotments are proportionately less than \$70,000, but in no case less than \$50,000 per State. The remainder of sums appropriated are allotted as under existing law.</p> <p>No change.</p>
III. State matching requirement.....	<p>Provides for matching percentages which vary with the per capita incomes of the States. [The Federal share for any State is 100 percent less that percentage which bears the same ratio to 50 percent as the per capita income of the State bears to the per capita income of the United States.] In no case can the Federal share be less than 33% percent nor more than 66% percent.</p>	<p>No change.</p>

**COMPARISON SHOWING CHANGES MADE IN CHILD WELFARE SERVICES BY PUBLIC LAW 87-543—Continued**

Item	Prior law	Public Law 87-543
IV. Definition of child welfare services.....	<p>Defines "child welfare services" as public welfare services for the protection and care of homeless, dependent, and neglected children and children in danger of becoming delinquent.</p>	<p>Defines "child welfare services" as public social services which supplement, or substitute for, parental care and supervision for the purpose of—</p> <p>(1) preventing or remedying, or assisting in the solution of problems which may result in the neglect, abuse, exploitation, or delinquency of children;</p> <p>(2) protecting and caring for homeless, dependent, or neglected children;</p> <p>(3) protecting and promoting the welfare of children of working mothers; and</p> <p>(4) otherwise protecting and promoting the welfare of children, including the strengthening of their own homes where possible or where needed, the provision of adequate care of children away from their homes in foster family homes or day care or other child care facilities. Effective July 1, 1962.</p> <p>Extends matching to child welfare services provided by the State. Effective July 1, 1962.</p>
V. State plan requirements.....	<p>Provides matching as to sums expended in meeting the costs of district, county, or other local child welfare services.</p> <p>Requires that a State plan be developed jointly by the State agency and the Secretary of Health, Education, and Welfare.</p>	<p>Same, plus new requirements:</p> <p>(1) Plan <i>must</i> provide for coordination between services provided under it and services provided under the State's plan for aid to dependent children with a view to provision of welfare and related services which will best promote the welfare of such children and their families; and</p> <p>(2) State <i>must</i> make satisfactory showing that it is extending the provision of child welfare services in the State, giving priorities to communities with the greatest need for such services after considering their relative financial need, and with a view to making available, before July 1975, in all of the State's political subdivisions, child welfare services provided by public State or local agency staff people (who to the extent feasible would be trained child welfare personnel). Effective July 1, 1963.</p>
VI. Day care.....	No specific provision.....	<p><i>Earmarking:</i> From annual appropriation for child welfare services, the excess over \$25,000,000 is earmarked for support of day care activities in the States, but earmarked amount may not exceed \$5,000,000 in fiscal 1963 and \$10,000,000 in subsequent fiscal years.</p> <p><i>Allotments:</i> The earmarked amount is allotted so that each State shall have an amount which bears the same ratio to the total amount earmarked as the product of (1) the population of each State under the age of 21 and (2) the allotment percentage (based on relative per capita income) bears to the sum of the corresponding products of all the States. But any State allotments under \$10,000 shall be increased to that amount by proportionately reducing allotments to each of the remaining States.</p>

VII. Research and demonstration projects.

Authorizes Congress to appropriate such sums as it may determine for grants to public or nonprofit agencies, institutions of higher learning, and organizations engaged in research on child welfare activities for special research or demonstration projects.

The amount of any allotment to a State which the State certifies is not required for day care would be available for reallocation to States which need additional funds for day care. Such reallocation shall be made on the basis of the need for additional funds in carrying out such purposes, after taking into consideration the relative population (under 21) and per capita income of the States.

*State matching requirement:* Same as for other child welfare services.

*State plan requirements:* Provides the following requirements:

Plan must provide, with respect to day care—

(a) for arrangements with State health and public school authorities to assure maximum utilization of such agencies in the provision of health care and education to day care children;

(b) for an advisory committee to advise the State agency on general policy relating to the provision of day care, representing public and private groups interested in day care;

(c) for safeguards assuring that day care is provided only in cases where it is in the interest of mother and child, and where a need for it exists; and

(d) for giving priority in determining the need for day care to low income groups, other groups, and geographical areas with the greatest relative needs for such care, and that families able to pay reasonable fees are required to do so. Effective July 1, 1963.

*Eligible facilities:* Day care which is supported under this program must be provided in facilities (including private homes) which are licensed by the State, or approved (as meeting the licensing standards) by the State agency which is responsible for licensing this type of facility.

Includes grants to institutions of higher learning for special projects for training personnel in the field of child welfare including traineeships with stipends and allowances permitted by the Secretary.

**ADVISORY COUNCIL ON PUBLIC WELFARE**

Item	Prior law	Public Law 87-543
Advisory Council on Public Welfare.....	No provision.....	<p>Provides for establishment from time to time of an Advisory Council on Public Welfare. The first Council will be appointed in 1964 and will report to the Secretary by July 1, 1966. The 12-member Council, representing public and nonprofit private welfare programs and the general public will review and make recommendations with respect to the public assistance and child welfare programs and the relationship between the public assistance programs and the OASDI programs. The Secretary may also appoint any advisory committees to advise and consult with him in carrying out his functions under the act. The Secretary shall report to the Congress annually on the number, the membership, and the activities of each committee. Compensation at rates of up to \$75 per day, plus travel expenses and per diem in lieu of subsistence, is authorized for members of the Council or any advisory committee. Such members are also exempted from the application of certain conflict-of-interest laws; but this exemption does not extend to salary payments from anyone other than the appointee's employer at the time of his appointment or to the prosecution of any claim against the Government, during his appointment, on any matter with which he was concerned during his appointment.</p>



## APPENDIX

**TABLE 1.—Public assistance and child welfare: Increase in Federal funds for fiscal year 1968 as a result of enactment of welfare amendments, by program**

(In millions of dollars)

Proposed	Grants to States for—							
	Total child welfare and public assistance	Child welfare	Public assistance programs <sup>1</sup> of—					Combined program
			Total	Old-age assistance	Aid to the blind	Aid to the permanently and totally disabled	Aid to dependent children	
<b>Total, including extended legislation.....</b>	296.7	5.0	291.7	125.0	5.5	22.2	131.6	7.4
75 percent Federal share for minimum of services for self-support, self-care, and other nonadministrative services; training; purchases of services from other State agencies; preventive services.....	34.3	-----	34.3	8.3	1.3	4.6	20.1	-----
Changes in formula.....	126.0	-----	126.0	104.2	4.2	17.6	-----	-----
Inclusion of 2d parent in aid to dependent children cases.....	34.0	-----	34.0	-----	-----	-----	34.0	-----
Exemption of earned income in old-age assistance.....	12.5	-----	12.5	12.5	-----	-----	-----	-----
Aid to dependent children:								
Unemployment extension.....	73.4	-----	73.4	-----	-----	-----	73.4	-----
Foster care extension.....	4.1	-----	4.1	-----	-----	-----	4.1	-----
Child welfare.....	5.0	5.0	-----	-----	-----	-----	-----	-----
Adult categories: Single program.....	7.4	-----	7.4	-----	-----	-----	-----	7.4

<sup>1</sup> No change in cost of medical assistance for the aged program is made by welfare amendments.

<sup>2</sup> \$12 million of this cost is attributable to cases where the family has an unemployed parent, while \$22 million is attributable to cases where the parent is disabled.

Source: Department of Health, Education, and Welfare.

TABLE 2.—Public assistance: Estimated full year increase in Federal funds as a result of change to  $\frac{2}{3}$  of the first \$35 per recipient and \$70 maximum average payment per recipient in old-age assistance, aid to the blind, and aid to the permanently and totally disabled<sup>1</sup>

[In thousands of dollars]

State	Total	Old-age assistance	Aid to the blind	Aid to the permanently and totally disabled
United States.....	140, 688	116, 478	4, 622	19, 588
Alabama.....	6, 290	5, 498	88	674
Alaska.....	75	70	5	-----
Arizona.....	799	754	45	-----
Arkansas.....	3, 583	3, 062	108	413
California.....	14, 253	12, 778	658	817
Colorado.....	2, 668	2, 368	13	287
Connecticut.....	836	703	14	119
Delaware.....	98	61	13	24
District of Columbia.....	299	154	10	135
Florida.....	4, 558	3, 787	134	637
Georgia.....	6, 650	5, 151	198	1, 301
Guam.....	-----	-----	-----	-----
Hawaii.....	117	66	4	47
Idaho.....	439	333	7	99
Illinois.....	4, 708	3, 452	146	1, 110
Indiana.....	1, 383	1, 288	95	-----
Iowa.....	1, 754	1, 645	69	40
Kansas.....	1, 591	1, 352	29	210
Kentucky.....	3, 672	3, 076	133	463
Louisiana.....	7, 472	6, 394	141	937
Maine.....	747	614	21	112
Maryland.....	860	504	22	334
Massachusetts.....	3, 755	3, 129	112	514
Michigan.....	3, 136	2, 761	86	289
Minnesota.....	2, 460	2, 260	53	147
Mississippi.....	5, 324	4, 388	227	709
Missouri.....	6, 962	5, 928	222	812
Montana.....	422	341	16	65
Nebraska.....	894	748	37	109
Nevada.....	136	127	9	-----
New Hampshire.....	275	239	12	24
New Jersey.....	1, 359	941	47	371
New Mexico.....	708	550	18	140
New York.....	4, 937	2, 992	170	1, 775
North Carolina.....	3, 969	2, 562	275	1, 132
North Dakota.....	388	323	5	60
Ohio.....	5, 616	4, 705	174	737
Oklahoma.....	5, 010	4, 387	90	533
Oregon.....	1, 073	814	13	246
Pennsylvania.....	3, 721	2, 481	303	937
Puerto Rico.....	-----	-----	-----	-----
Rhode Island.....	473	323	6	144
South Carolina.....	2, 165	1, 633	93	439
South Dakota.....	533	463	9	61
Tennessee.....	3, 624	2, 877	140	607
Texas.....	12, 610	11, 865	334	411
Utah.....	500	331	9	160
Vermont.....	358	303	6	47
Virgin Islands.....	-----	-----	-----	-----
Virginia.....	1, 219	788	66	365
Washington.....	2, 691	2, 303	35	353
West Virginia.....	1, 444	996	53	395
Wisconsin.....	1, 922	1, 658	46	218
Wyoming.....	184	152	3	29

<sup>1</sup> Assumes that States will continue to spend the same amount per recipient from State and local funds as they did in December 1961, and that the increase in Federal funds will be used to raise money payments to recipients. Increase is over and above temporary \$1 increase.

Source: Department of Health, Education, and Welfare.

TABLE 3.—Child welfare services: Tentative apportionment of 1963 requested appropriation and tentative apportionments of additional appropriation provided for day care under welfare amendments in fiscal years 1963 and 1964

State	Tentative apportionment 1963 estimate	Tentative apportionment of amounts proposed for day care		Federal share, fiscal years 1963 and 1964
		1963	1964	
United States.....	\$25, 000, 000	\$5, 000, 000	\$10, 000, 000	-----
Alabama.....	628, 014	130, 775	262, 690	66½
Alaska.....	94, 110	10, 000	11, 350	40.8
Arizona.....	248, 736	41, 888	84, 142	54.4
Arkansas.....	369, 600	70, 213	141, 039	66½
California.....	1, 444, 005	322, 008	646, 826	39.4
Colorado.....	284, 018	50, 157	100, 761	51.4
Connecticut.....	252, 884	42, 860	86, 094	33.6
Delaware.....	102, 281	10, 000	15, 197	33½
District of Columbia.....	116, 889	10, 989	22, 073	33½
Florida.....	654, 178	136, 907	275, 008	54.4
Georgia.....	707, 667	149, 442	300, 188	64.7
Guam.....	83, 684	10, 000	10, 000	66½
Hawaii.....	154, 743	19, 860	39, 894	51.7
Idaho.....	170, 076	23, 453	47, 111	59.0
Illinois.....	927, 531	200, 969	403, 691	39.2
Indiana.....	623, 977	129, 829	260, 790	51.0
Iowa.....	412, 813	80, 341	161, 383	54.4
Kansas.....	336, 066	62, 355	125, 253	53.9
Kentucky.....	547, 578	111, 924	224, 824	65.1
Louisiana.....	596, 962	123, 497	248, 072	63.0
Maine.....	202, 320	31, 010	62, 291	59.1
Maryland.....	402, 496	77, 923	156, 525	46.0
Massachusetts.....	548, 622	112, 169	225, 316	43.7
Michigan.....	948, 727	205, 936	413, 669	47.0
Minnesota.....	510, 587	103, 250	207, 401	54.2
Mississippi.....	476, 300	95, 220	191, 270	66½
Missouri.....	551, 649	112, 878	226, 741	51.5
Montana.....	157, 279	20, 454	41, 087	53.0
Nebraska.....	240, 588	39, 978	80, 306	53.6
Nevada.....	93, 876	10, 000	11, 240	37.7
New Hampshire.....	143, 214	17, 158	34, 466	54.3
New Jersey.....	568, 956	116, 934	234, 888	39.3
New Mexico.....	221, 241	35, 444	71, 198	58.3
New York.....	1, 340, 780	297, 817	598, 232	37.4
North Carolina.....	835, 164	179, 322	360, 208	66.4
North Dakota.....	170, 543	23, 563	47, 332	62.9
Ohio.....	1, 083, 334	237, 482	477, 037	45.5
Oklahoma.....	380, 508	72, 770	146, 175	59.1
Oregon.....	275, 134	48, 075	96, 569	51.2
Pennsylvania.....	1, 238, 221	273, 781	549, 951	48.1
Puerto Rico.....	589, 184	121, 675	244, 411	66½
Rhode Island.....	163, 088	21, 816	43, 822	50.6
South Carolina.....	519, 305	105, 298	211, 515	66½
South Dakota.....	174, 334	24, 451	49, 116	62.7
Tennessee.....	624, 271	129, 898	260, 928	65.3
Texas.....	1, 368, 684	304, 356	611, 368	55.7
Utah.....	209, 850	32, 775	65, 836	57.4
Vermont.....	124, 504	12, 773	25, 658	59.4
Virgin Islands.....	76, 532	10, 000	10, 000	66½
Virginia.....	623, 676	129, 758	260, 648	58.1
Washington.....	380, 988	72, 882	146, 401	47.5
West Virginia.....	345, 156	64, 485	129, 532	61.5
Wisconsin.....	544, 497	111, 202	223, 374	51.6
Wyoming.....	110, 600	10, 000	19, 113	50.4

Source: Department of Health, Education, and Welfare.